

Call To Order

The regular council meeting was called to order at 6:00 p.m. by Mayor Frith. Vice Mayor Thompson, Councilmembers Arnold, Bottorff and Sheppard were present. Staff present: City Administrator Pete Carr, City Attorney Greg Einhorn, City Engineer Steve Speights, City Planner Scott Friend and City Clerk Roben Dewsnup.

1. **COMMUNITY PARTICIPATION:** Resident Jon Crawford stated he was concerned with the result of the improvement project on Highway 99 between Biggs and 162. He stated the project was supposed to eliminate the humps in the road and the project did not meet the line of sight requirement that was promised.

2. **CONSENT CALENDAR:**

- A. Approval of Council Minutes for Special Meeting of July 18, 2011 and Regular Meeting of September 19, 2011.
- B. Approval of warrants: #25605 - 25671; #8020-8049; Z00518 - Z00531 for month of September 2011 in the amount of \$221,460.50.
- C. Acknowledge receipt of Police Department Report for September 2011.
- D. Acknowledge receipt of Gridley-Biggs Animal Control Officer Report for September 2011.
- E. Acknowledge receipt of Accountant's monthly cash and investment report for September 2011.

Vice Mayor Thompson pointed out an error on page 9 of the agenda. Line two of the July 18, 2011 minutes should say Vice Mayor Thompson rather than Mayor Thompson.

Motion/Second to approve the consent calendar with stated correction.
(Bottorff/Thompson, MCU)

3. **DEPARTMENT REPORTS:**

A. Planning:

- 1. City Planner Scott Friend reviewed the activity report included in the agenda packet.
- 2. Mr. Friend stated CalTrans was asking for a Historical Resource Evaluation Report (HRER) for the Sixth Street Bridge Project. He presented a proposal from Pacific Legacy for \$5,820.39 to prepare the HRER. An addition \$2,175 was being requested to account for time associated with the submittal, consultation and project management activities for this effort. Mr. Friend said the total amount to provide additional funding to support the preparation of the HRER as required by Caltrans was \$7,995. The cost is reimbursable; however the reimbursement occurs after the project is approved.

Mayor Frith asked if the amount was "not to exceed" and Mr. Friend stated it could be written to say this.

Motion/Second to authorize the additional \$7995 for the HRER Study and direct the city administrator to enter into the contract. (Frith/Thompson, MCU)

B. Engineering.

City Engineer Steve Speights reviewed the engineer's activity report.

Mayor Frith asked why the documents for the SunWest Lot Line Adjustment were not ready yet. Mr. Speights indicated it was due to confusion on the part of the owners' Engineer as to how many parcels existed. Mayor Frith wanted to keep it in the record the city was being responsive in their dealings with SunWest.

- C. Mr. Carr stated the city was awarded a grant in the amount of \$3499 to rebuild the local inventory of fire fighter personal protective gear. The grant requires dollar-for-dollar local match. Fire Captain Todd Tindall stated this would outfit 2.5 firemen. There is \$650 budgeted this year for equipment which could offset the \$3500.

Mayor Frith asked that the funds be used locally and also to help out volunteer firemen.

RESOLUTION 2011-20 "RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BIGGS APPROVING THE DEPARTMENT OF FORESTRY AND FIRE PROTECTION AGREEMENT #7FG11103 FOR SERVICES FROM THE DATE OF LAST SIGNATORY ON PAGE 6 OF THE AGREEMENT TO JUNE 30, 2012 UNDER THE VOLUNTEER FIRE ASSISTANCE PROGRAM OF THE COOPERATIVE FORESTRY ASSISTANCE ACT OF 1978." (Arnold/Thompson, MCU)

- D. Mr. Carr met with Assistant Chief Price and stated crime was low and marijuana enforcement was discussed.
- E. Councilmember Bottorff reported on the Sutter Butte Flood Control Meeting he attended.
- F. Mayor Frith reported interviews were conducted for the public works employee replacement. Mr. Carr stated a conditional offer had been issued.
- G. Mayor Frith asked employee Marlee Mattos to talk about her recent opportunity to speak at the legislative tour.
- H. Vice Mayor Thompson did not attend the last BCAG/Air Quality meeting.
- I. Mayor Frith stated 19 ½ tons of solid waste was tipped this last weekend during the citywide cleanup day.
- J. Councilmember Sheppard stated four species of mosquitoes are still active in the county. Two cases of West Nile Virus were reported in Butte County.
- K. City Administrator.
1. Mr. Carr presented the Biggs Community Hall Rates and Policies. Council agreed on \$250 as the rental fee.

RESOLUTION NO. 2011-21 "A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BIGGS ESTABLISHING POLICIES AND RENTAL RATES FOR BIGGS COMMUNITY HALL, AMENDING POLICY PREVIOUSLY APPROVED JULY 19, 2010." (Bottorff/Thompson, MCU)

2. Recreation Programs. Mr. Carr stated the recreation program item was a continuation from last month. A draft instructor agreement which was patterned after

Gridley's was included in the packet. The agreement had been approved by the City of Biggs attorney.

Councilmember Bottorff asked who would enforce #9 of the agreement which referred to appropriate dress. City Attorney Greg Einhorn stated this section would cover a participant's complaint with the instructor.

Mayor Frith wanted to be sure this agreement would in no way constitute a recreation department and Mr. Carr stated it would not.

Motion/Second to approve the draft Instructor Agreement. (Bottorff/Thompson, MCU)

3. Mr. Carr stated the Annual Salary Adjustment discussion was discussed last month. At that meeting, Council directed staff to research the records of Council's intent when establishing the \$1.50/hr salary adjustment to be spread over three years. The City Clerk reports no record exists which clearly specifies the three-year salary adjustment was to include all employees. Most of the discussion was done in closed session as part of contract bargaining. The non-bargaining employees understood they would receive the \$.25 increase as the bargaining employees did; however, they were not demanding the increase. Mr. Carr asked council to approve the increase and adjustment to the salary schedule.

Resident Jon Crawford stated he was on the negotiating committee when this item was discussed and the negotiating meetings were held in closed sessions. It was his clear understanding the non-bargaining employees would receive the increase in the same fashion as the bargaining employees. Councilmembers Bottorff and Arnold remembered this as well.

Motion/Second to approve the application of the \$.25 per hour adjustment effective October 1, 2011 to all employees, except the City Administrator.
(Thompson/Bottorff, MC; Noes: Frith)

4. Mr. Carr stated the Health Insurance Benefits discussion is a continuation from last month. He stated the bargaining employees wished to stay with the HMO and were not interested in the PPO and Health Reimbursement Account (HRA). The non-bargaining employees are interested in the PPO and HRA. Mr. Carr recommended capping the cost of health insurance at 85% for 2012 for the three plans offered and the non-bargaining employees can select the plan they want. If the non-bargaining employee enrolls in PERS Choice or Select they will save the city and themselves money and the city will cover the employee's out-of-pocket cost with the HRA.

Motion/Second to accept the agenda item as Mr. Carr recommended.
(Sheppard/Thompson, MCU)

Mr. Carr would bring back implementing documents at the next council meeting.

4. **INFORMATIONAL:** Mayor Frith recommended holding the city administrator's contract renewal consideration the same night as the special hearing scheduled for Monday, October 24, 2011 with the special hearing beginning at 6 p.m.

Resident Jon Crawford asked to address a safety item. He was concerned with the boxes that had been installed around the trees downtown which has created a hazard. He would like to see the boxes mitigated and return the parking as it was originally. He suggested shortening the boxes so vehicles could park up to the sidewalk.

5. ADJOURNMENT: Meeting was adjourned at 7:35 p.m.

ATTEST:

Roben Dewsnap, CITY CLERK

APPROVED:

Roger L. Frith, MAYOR

MINUTES OF THE CITY OF BIGGS
SPECIAL COUNCIL MEETING
COUNTY OF BUTTE, STATE OF CALIFORNIA

October 17, 2011

1. Call To Order:

The special meeting of the Biggs City Council was called to order at 5:00 p.m. by Mayor Frith. Councilmembers Arnold, Bottorff and Sheppard were present. Vice Mayor Thompson was absent. Staff present: City Administrator Pete Carr and City Planner Scott Friend.

2. CITY COUNCIL STUDY SESSION:

City of Biggs General Plan Update – Workshop.

Staff reviewed the draft elements of the City's General Plan update project.

3. ADJOURNMENT: Meeting was adjourned at 5:55 p.m.

ATTEST:

APPROVED:

Roben Dewsnup, CITY CLERK

Roger L. Frith, MAYOR

MINUTES OF THE CITY OF BIGGS
SPECIAL COUNCIL MEETING
COUNTY OF BUTTE, STATE OF CALIFORNIA

October 24, 2011

1. Call To Order:

The special meeting of the Biggs City Council was called to order at 6:00 p.m. by Mayor Frith. Vice Mayor Thompson, Councilmembers Arnold, Bottorff and Sheppard were present. Staff present: City Administrator Pete Carr and City Attorney Greg Einhorn.

2. PUBLIC COMMENT: None

3. CLOSED SESSION: Council adjourned to closed session at 6:00 p.m.

A. Public Employee Discipline/Dismissal/Release
Title: Code Enforcement
Appeal of Disciplinary Action

B. Conference with Labor Negotiators
Agency Designated Representatives: Bo Sheppard; Greg Einhorn
Unrepresented Employee: City Administrator
Meet and Confer: Contract Term

4. RESUME SPECIAL MEETING: Council resumed special meeting at 8:05 p.m.

A. Pursuant to Government Code section 54597.1(a)(5)
Termination of Employment (Appeal)
Vote: Yes (Frith, Thompson, Arnold, Bottorff) No (Sheppard)
Position: Code Enforcement

B. No announcement.

5. ADJOURNMENT: Meeting was adjourned at 8:45 p.m.

ATTEST:

APPROVED:

Roben Dewsnap, CITY CLERK

Roger L. Frith, MAYOR

REPORT.: Nov 01 11 Tuesday
 RUN...: Nov 01 11 Time: 14:04
 Run By.: Roben Dewsnap

City of Biggs
 Month End Cash Disbursements Report
 Report for 10-11 BANK ACCOUNT 1010

PAGE:
 ID #: PY
 CTL.:

Period	Check Number	Check Date	Vendor # (Name)	Disc. Terms	Gross Amount	Disc Amount	Net Amount	Check Description
10-11	025672	10/07/11	AME00 (American Express)		1,915.31	.00	1,915.31	Automatic Generated Ch
	025673	10/07/11	BAS01 (Basic Laboratory Inc)		1,487.20	.00	1,487.20	Automatic Generated Ch
	025674	10/07/11	BOT02 (Mike Bottorff)		24.42	.00	24.42	Automatic Generated Ch
	025675	10/07/11	BUT03 (Butte Auto Parts)		32.54	.00	32.54	Automatic Generated Ch
	025676	10/07/11	BUT07 (Butte Federal Credit Union)		340.00	.00	340.00	Automatic Generated Ch
	025677	10/07/11	BUT26 (BUTTE REGIONAL TRANSIT)		1,911.25	.00	1,911.25	Automatic Generated Ch
	025678	10/07/11	CAL03 (California Engineering)		12,052.05	.00	12,052.05	Automatic Generated Ch
	025679	10/07/11	CAR04 (Peter R. Carr)		146.03	.00	146.03	Automatic Generated Ch
	025680	10/07/11	COR01 (CORBIN WILLITS SYSTEM INC)		328.95	.00	328.95	Automatic Generated Ch
	025681	10/07/11	DEL01 (Preferred Benefit)		656.28	.00	656.28	Automatic Generated Ch
	025682	10/07/11	DOU03 (Erin E Dougherty)		40.00	.00	40.00	Automatic Generated Ch
	025683	10/07/11	ESC01 (Escudero Web Services)		468.75	.00	468.75	Automatic Generated Ch
	025684	10/07/11	FRI05 (Ryan A. Frick)		399.99	.00	399.99	Automatic Generated Ch
	025685	10/07/11	GRI01 (Gridley Honda, Inc.)		48.69	.00	48.69	Automatic Generated Ch
	025686	10/07/11	GRI04 (City of Gridley)		56,060.30	.00	56,060.30	Automatic Generated Ch
	025687	10/07/11	HOM01 (Home Depot Credit Service)		537.41	.00	537.41	Automatic Generated Ch
	025688	10/07/11	ITR01 (Itron, Inc.)		2,252.80	.00	2,252.80	Automatic Generated Ch
	025689	10/07/11	MAX01 (Maximum Security Systems)		100.75	.00	100.75	Automatic Generated Ch
	025690	10/07/11	NEX01 (Nextel Communications)		181.35	.00	181.35	Automatic Generated Ch
	025691	10/07/11	PIT01 (PITNEY BOWES, INC.)		144.79	.00	144.79	Automatic Generated Ch
	025692	10/07/11	PRI02 (PLIC - SBD Grand Island)		126.46	.00	126.46	Automatic Generated Ch
	025693	10/07/11	PUB02 (Calif Public Employees')		10,482.26	.00	10,482.26	Automatic Generated Ch
	025694	10/07/11	RIG01 (Right Way Pest Control)		119.00	.00	119.00	Automatic Generated Ch
	025695	10/07/11	SEL01 (Roy R. Seiler, CPA)		2,488.50	.00	2,488.50	Automatic Generated Ch
	025696	10/07/11	SEL02 (Select Janitorial Services, Inc.)		301.08	.00	301.08	Automatic Generated Ch
	025697	10/07/11	STA13 (Sharon Starmer)		150.00	.00	150.00	Automatic Generated Ch
	025698	10/07/11	UNI04 (Univar USA Inc)		1,012.44	.00	1,012.44	Automatic Generated Ch
	025699	10/07/11	VIS00 (VistaNet Inc)		441.00	.00	441.00	Automatic Generated Ch
	025700	10/07/11	VSP01 (Vision Service Plan-(CA))		81.92	.00	81.92	Automatic Generated Ch
	025701	10/07/11	WAS04 (Waste Management)		9,606.00	.00	9,606.00	Automatic Generated Ch
	025702	10/07/11	YUB01 (City of Yuba City)		1,116.20	.00	1,116.20	Automatic Generated Ch
	025703	10/20/11	NCPA (Northern CA Power Agency)		60,473.00	.00	60,473.00	Automatic Generated Ch
	025704	10/20/11	ADV02 (Advanced Document Concepts)		150.54	.00	150.54	Automatic Generated Ch
	025705	10/20/11	AFL01 (Aflac)		374.58	.00	374.58	Automatic Generated Ch
	025706	10/20/11	AIR00 (Airgas-NCN, Inc.)		22.11	.00	22.11	Automatic Generated Ch
	025707	10/20/11	ALL01 (All Metals Supply, Inc.)		69.31	.00	69.31	Automatic Generated Ch
	025708	10/20/11	ARA01 (Aramark Uniform Services)		567.15	.00	567.15	Automatic Generated Ch
	025709	10/20/11	ARE03 (Maria Arellano)		245.00	.00	245.00	Automatic Generated Ch
	025710	10/20/11	ATT02 (AT&T)		317.03	.00	317.03	Automatic Generated Ch
	025711	10/20/11	BOT02 (Mike Bottorff)		24.42	.00	24.42	Automatic Generated Ch
	025712	10/20/11	BUT04 (Butte County Clerk Recorder)		12.00	.00	12.00	Automatic Generated Ch
	025713	10/20/11	BUT10 (Butte County Public Health Department)		597.90	.00	597.90	Automatic Generated Ch
	025714	10/20/11	CAL09 (Patricia Calvillo)		170.00	.00	170.00	Automatic Generated Ch
	025715	10/20/11	CAR04 (Peter R. Carr)		184.93	.00	184.93	Automatic Generated Ch

REPORT.: Nov 01 11 Tuesday
 RUN...: Nov 01 11 Time: 14:04
 Run By.: Roben Dewsnap

City of Biggs
 Month End Cash Disbursements Report
 Report for 10-11 BANK ACCOUNT 1010

PAGE: 002
 ID #: PY-CD
 CTL.: BIG

Period	Check Number	Check Date	Vendor # (Name)	Disc. Terms	Gross Amount	Disc Amount	Net Amount	Check Description
10-11	025716	10/20/11	CCP01 (CCP Industries, Inc.)		111.46	.00	111.46	Automatic Generated Check
	025717	10/20/11	CRE01 (Cresco Equipment Rentals)		56.84	.00	56.84	Automatic Generated Check
	025718	10/20/11	DEW01 (Roben Dewsnap)		45.02	.00	45.02	Automatic Generated Check
	025719	10/20/11	DOU01 (Double J Enterprises)		5,836.28	.00	5,836.28	Automatic Generated Check
	025720	10/20/11	EIN01 (Gregory P. Einhorn)		5,590.00	.00	5,590.00	Automatic Generated Check
	025721	10/20/11	FEA01 (Feather River Concrete Products)		841.16	.00	841.16	Automatic Generated Check
	025722	10/20/11	HAR05 (Harshbarger Ace Hardware)		956.78	.00	956.78	Automatic Generated Check
	025723	10/20/11	HEL03 (Helena Chemical Company)		496.03	.00	496.03	Automatic Generated Check
	025724	10/20/11	HOM03 (Hometown Celebration Committee)		735.84	.00	735.84	Automatic Generated Check
	025725	10/20/11	IND04 (Industrial Equipaent)		104.68	.00	104.68	Automatic Generated Check
	025726	10/20/11	JCN00 (J C Nelson Supply Co)		106.59	.00	106.59	Automatic Generated Check
	025727	10/20/11	KYO01 (Kyocera Mita America Inc)		129.04	.00	129.04	Automatic Generated Check
	025728	10/20/11	LAK02 (Lakeview Petroleum)		2,681.64	.00	2,681.64	Automatic Generated Check
	025729	10/20/11	LEA01 (League of California Cities)		25.00	.00	25.00	Automatic Generated Check
	025730	10/20/11	MAC01 (Mac's Hardware & Rental)		227.87	.00	227.87	Automatic Generated Check
	025731	10/20/11	MAT00 (Marlee Mattos)		293.04	.00	293.04	Automatic Generated Check
	025732	10/20/11	NDR02 (North Valley Barricade, Inc.)		729.30	.00	729.30	Automatic Generated Check
	025733	10/20/11	PAT01 (PATRICK & CO.)		182.89	.00	182.89	Automatic Generated Check
	025734	10/20/11	PET01 (Petty Cashier)		66.00	.00	66.00	Automatic Generated Check
	025735	10/20/11	PGE01 (PACIFIC GAS & ELECTRIC CO)		33.51	.00	33.51	Automatic Generated Check
	025736	10/20/11	PIT01 (PITNEY BOWES, INC.)		182.29	.00	182.29	Automatic Generated Check
	025737	10/20/11	PMC01 (PMC, Inc.)		8,142.62	.00	8,142.62	Automatic Generated Check
	025738	10/20/11	QUI01 (Quill Corporation)		182.68	.00	182.68	Automatic Generated Check
	025739	10/20/11	R&B01 (R & B Company)		215.04	.00	215.04	Automatic Generated Check
	025740	10/20/11	RES01 (Reserve Account)		800.00	.00	800.00	Automatic Generated Check
	025741	10/20/11	RIG01 (Right Way Pest Control)		119.00	.00	119.00	Automatic Generated Check
	025742	10/20/11	SAN03 (Manuel Sanchez)		115.00	.00	115.00	Automatic Generated Check
	025743	10/20/11	SC006 (Charles Allen & Katie Scott)		73.03	.00	73.03	Automatic Generated Check
	025744	10/20/11	SUM01 (Summit Supply Corporation of Colorado)		495.00	.00	495.00	Automatic Generated Check
	025745	10/20/11	ZEE01 (Zee Medical Co)		114.15	.00	114.15	Automatic Generated Check
	025746	10/20/11	HIL11 (Michael R. Hill)		87.47	.00	87.47	Automatic Generated Check
	025747	10/31/11	BUT04 (Butte County Clerk Recorder)		13.00	.00	13.00	Automatic Generated Check
	025748	10/31/11	STA06 (State Board of Equalizatr)		1,180.41	.00	1,180.41	Automatic Generated Check
Total for Bank Account 1010 ----)					199,230.35	.00	199,230.35	
Grand Total of all Bank Accounts ----)					199,230.35	.00	199,230.35	

Report.: 11/01/11
 Run On.: 11/01/11
 Time...: 10:04
 Run By.: Roben Dewsnup

Month End Warrant Register

Page.: 00
 Id...: SP
 Ctl...: BI
 Prog.: SP

Warrant Num P#	Date	Payroll Number	Period Begin End	*** Employee or Vendor *** Nbr Name	Cal Prd	Gross Earnings	Tax Withheld	Deductions Withheld	Warran Amoun
8050 00	11/01/11	0of24	11/01/11 11/01/11		10-11	987.88	208.21	108.78	670.8
8050 01	11/01/11	0of24	11/01/11 11/01/11		10-11	-987.88	-208.21	-108.78	-670.8
8050 02	10/01/11	0of24	10/01/11 10/01/11		10-11	987.88	208.21	108.78	670.8
8051 00	10/01/11	1of 1	10/01/11 10/01/11		10-11	149.43	10.24	.00	139.1
8052 00	10/05/11	19of24	09/16/11 09/30/11		10-11	306.34	20.99	.00	285.3
8053 00	10/05/11	19of24	09/16/11 09/30/11		10-11	1050.50	71.96	.00	978.5
8054 00	10/05/11	VENDOR PAYMENT	-----	BOA01 BANK OF AMERICA, NT&	10-11	INVOICE NO.:	B10927		11.0
8054 01	10/05/11	VENDOR PAYMENT	-----	BOA01 BANK OF AMERICA, NT&	10-11	INVOICE NO.:	B11003		.0
8054 02	10/05/11	VENDOR PAYMENT	-----	BOA01 BANK OF AMERICA, NT&	10-11	INVOICE NO.:	1B10927		91.4
8054 03	10/05/11	VENDOR PAYMENT	-----	BOA01 BANK OF AMERICA, NT&	10-11	INVOICE NO.:	1B11003		15.5
8054 04	10/05/11	VENDOR PAYMENT	-----	BOA01 BANK OF AMERICA, NT&	10-11	INVOICE NO.:	2B10927		25.5
8054 05	10/05/11	VENDOR PAYMENT	-----	BOA01 BANK OF AMERICA, NT&	10-11	INVOICE NO.:	2B11003		4.3
8054 06	10/05/11	VENDOR PAYMENT	-----	BOA01 BANK OF AMERICA, NT&	10-11	INVOICE NO.:	3B11003		1412.1
8054 07	10/05/11	VENDOR PAYMENT	-----	BOA01 BANK OF AMERICA, NT&	10-11	INVOICE NO.:	4B11003		1826.2
8054 08	10/05/11	VENDOR PAYMENT	-----	BOA01 BANK OF AMERICA, NT&	10-11	INVOICE NO.:	5B11003		509.2
TOTAL FOR VENDOR BOA01:									3895.5
8055 00	10/05/11	VENDOR PAYMENT	-----	EDD01 Employment Developme	10-11	INVOICE NO.:	B10927		.0
8055 01	10/05/11	VENDOR PAYMENT	-----	EDD01 Employment Developme	10-11	INVOICE NO.:	B11003		.0
8055 02	10/05/11	VENDOR PAYMENT	-----	EDD01 Employment Developme	10-11	INVOICE NO.:	1B10927		10.5
8055 03	10/05/11	VENDOR PAYMENT	-----	EDD01 Employment Developme	10-11	INVOICE NO.:	1B11003		1.7
8055 04	10/05/11	VENDOR PAYMENT	-----	EDD01 Employment Developme	10-11	INVOICE NO.:	2B11003		474.6
8055 05	10/05/11	VENDOR PAYMENT	-----	EDD01 Employment Developme	10-11	INVOICE NO.:	3B11003		210.7
TOTAL FOR VENDOR EDD01:									697.7
8056 00	10/05/11	VENDOR PAYMENT	-----	PUB01 PERS-Retirement Syst	10-11	INVOICE NO.:	B10927		159.5
8056 01	10/05/11	VENDOR PAYMENT	-----	PUB01 PERS-Retirement Syst	10-11	INVOICE NO.:	B11003		.0
8056 02	10/05/11	VENDOR PAYMENT	-----	PUB01 PERS-Retirement Syst	10-11	INVOICE NO.:	1B11003		2456.2
8057 00	10/13/11	1of24	09/16/11 09/30/11		10-11	24.17	10.33	.00	13.8
8058 00	10/13/11	1of24	09/16/11 09/30/11		10-11	24.67	10.54	.00	14.1
8059 00	10/13/11	1of24	09/16/11 09/30/11		10-11	27.33	11.55	.00	15.7
8060 00	10/20/11	20of24	10/01/11 10/15/11		10-11	367.72	25.18	.00	342.5
8061 00	10/20/11	20of24	10/01/11 10/15/11		10-11	1050.50	71.96	.00	978.5
TOTAL FOR VENDOR PUB01:									2615.8
8062 00	10/20/11	VENDOR PAYMENT	-----	BOA01 BANK OF AMERICA, NT&	10-11	INVOICE NO.:	B11013		17.9
8062 01	10/20/11	VENDOR PAYMENT	-----	BOA01 BANK OF AMERICA, NT&	10-11	INVOICE NO.:	B11018		1512.5
8062 02	10/20/11	VENDOR PAYMENT	-----	BOA01 BANK OF AMERICA, NT&	10-11	INVOICE NO.:	1B11013		7.9
8062 03	10/20/11	VENDOR PAYMENT	-----	BOA01 BANK OF AMERICA, NT&	10-11	INVOICE NO.:	1B11018		1883.0
8062 04	10/20/11	VENDOR PAYMENT	-----	BOA01 BANK OF AMERICA, NT&	10-11	INVOICE NO.:	2B11013		2.2
8062 05	10/20/11	VENDOR PAYMENT	-----	BOA01 BANK OF AMERICA, NT&	10-11	INVOICE NO.:	2B11018		525.1
TOTAL FOR VENDOR BOA01:									3948.8
8063 00	10/20/11	VENDOR PAYMENT	-----	EDD01 Employment Developme	10-11	INVOICE NO.:	B11013		4.7
8063 01	10/20/11	VENDOR PAYMENT	-----	EDD01 Employment Developme	10-11	INVOICE NO.:	B11018		513.7
8063 02	10/20/11	VENDOR PAYMENT	-----	EDD01 Employment Developme	10-11	INVOICE NO.:	1B11013		.9
8063 03	10/20/11	VENDOR PAYMENT	-----	EDD01 Employment Developme	10-11	INVOICE NO.:	1B11018		217.2

Report.: 11/01/11
 Run On.: 11/01/11
 Time...: 10:04
 Run By.: Roben Dewsnap

Month End Warrant Register

Page.: 0000
 Id...: SPMEI
 Ctl...: B16
 Prog.: SP02

Warrant Num P#	Date	Payroll Number	Period Begin End	*** Employee or Vendor *** Nbr Name	Cal Prd	Gross Earnings	Tax Withheld	Deductions Withheld	Warrant Amount	
TOTAL FOR VENDOR EDD01:									736.61	
8064 00	10/20/11	VENDOR PAYMENT	LAB02	Laborers Local 185	10-11	INVOICE NO.:	B11018		93.00	
TOTAL FOR VENDOR LAB02:									93.00	
8065 00	10/20/11	VENDOR PAYMENT	PUB01	PERS-Retirement Syst	10-11	INVOICE NO.:	B11013		10.81	
8065 01	10/20/11	VENDOR PAYMENT	PUB01	PERS-Retirement Syst	10-11	INVOICE NO.:	B11018		2488.73	
TOTAL FOR VENDOR PUB01:									2499.54	
8066 00	10/20/11	VENDOR PAYMENT	STA14	STATE STREET BANK &	10-11	INVOICE NO.:	B11018		148.82	
8067 00	10/27/11	10of12	10/01/11	10/31/11	10-11	300.00	20.55	.00	279.45	
8068 00	10/27/11	10of12	10/01/11	10/31/11	10-11	300.00	20.55	.00	279.45	
8069 00	10/27/11	10of12	10/01/11	10/31/11	10-11	300.00	20.55	.00	279.45	
8070 00	10/27/11	10of12	10/01/11	10/31/11	10-11	300.00	20.55	.00	279.45	
8071 00	10/27/11	10of12	10/01/11	10/31/11	10-11	300.00	20.55	.00	279.45	
TOTAL FOR VENDOR STA14:									148.82	
8072 00	10/27/11	VENDOR PAYMENT	BOA01	BANK OF AMERICA, NT&	10-11	INVOICE NO.:	B11027		.00	
8072 01	10/27/11	VENDOR PAYMENT	BOA01	BANK OF AMERICA, NT&	10-11	INVOICE NO.:	1B11027		156.00	
8072 02	10/27/11	VENDOR PAYMENT	BOA01	BANK OF AMERICA, NT&	10-11	INVOICE NO.:	2B11027		43.50	
TOTAL FOR VENDOR BOA01:									199.50	
8073 00	10/27/11	VENDOR PAYMENT	EDD01	Employment Developme	10-11	INVOICE NO.:	B11027		.00	
8073 01	10/27/11	VENDOR PAYMENT	EDD01	Employment Developme	10-11	INVOICE NO.:	1B11027		18.00	
8074 00	10/31/11	0of24	10/31/11	10/31/11	10-11	1050.50	71.96	.00	978.54	
TOTAL FOR VENDOR EDD01:									18.00	
8075 00	10/31/11	VENDOR PAYMENT	BOA01	BANK OF AMERICA, NT&	10-11	INVOICE NO.:	B11031		.00	
8075 01	10/31/11	VENDOR PAYMENT	BOA01	BANK OF AMERICA, NT&	10-11	INVOICE NO.:	1B11031		109.25	
8075 02	10/31/11	VENDOR PAYMENT	BOA01	BANK OF AMERICA, NT&	10-11	INVOICE NO.:	2B11031		30.46	
TOTAL FOR VENDOR BOA01:									139.71	
8076 00	10/31/11	VENDOR PAYMENT	EDD01	Employment Developme	10-11	INVOICE NO.:	B11031		.00	
8076 01	10/31/11	VENDOR PAYMENT	EDD01	Employment Developme	10-11	INVOICE NO.:	1B11031		12.61	
Z00532 00	10/05/11	19of24	09/16/11	09/30/11	10-11	1845.47	528.90	1316.57	.00	
Z00533 00	10/05/11	19of24	09/16/11	09/30/11	10-11	3720.73	1060.24	2660.49	.00	
Z00534 00	10/05/11	19of24	09/16/11	09/30/11	10-11	2112.07	598.30	1513.77	.00	
Z00535 00	10/05/11	19of24	09/16/11	09/30/11	10-11	1497.31	362.12	1135.19	.00	
Z00536 00	10/05/11	19of24	09/16/11	09/30/11	10-11	1787.14	405.14	1382.00	.00	
Z00537 00	10/05/11	19of24	09/16/11	09/30/11	10-11	2607.88	698.44	1909.44	.00	
Z00538 00	10/05/11	19of24	09/16/11	09/30/11	10-11	2736.53	897.63	1838.90	.00	
Z00539 00	10/20/11	20of24	10/01/11	10/15/11	10-11	1932.81	565.38	1367.43	.00	
Z00540 00	10/20/11	20of24	10/01/11	10/15/11	10-11	3720.73	1060.23	2660.50	.00	
Z00541 00	10/20/11	20of24	10/01/11	10/15/11	10-11	1908.91	547.41	1361.50	.00	
Z00542 00	10/20/11	20of24	10/01/11	10/15/11	10-11	1659.43	409.41	1250.02	.00	
Z00543 00	10/20/11	20of24	10/01/11	10/15/11	10-11	1968.99	453.74	1515.25	.00	
Z00544 00	10/20/11	20of24	10/01/11	10/15/11	10-11	2651.21	712.26	1938.95	.00	
Z00545 00	10/20/11	20of24	10/01/11	10/15/11	10-11	2950.37	988.59	1961.78	.00	
							39638.62	9903.46	23920.57	20820.27

2323809



City of
Gridley

City of Gridley Gridley-Biggs Police Department



GARY D. KEELER
Chief of Police



CITY OF BIGGS MONTH IN REVIEW			
October. 2011			
CALLS FOR SERVICE		ARREST CRIME REPORT	
911	8	ADULTS	
ALARMS	8		
ANIMAL	17	DOMESTIC BATTERY	1
AREA CHECK	29	RECKLESS DRIVING	1
ATTEMPT TO SERVE	1	WARRANT	2
BATTERY	1		
BIKE TRAFFIC	2		
BOLO	1		
BURGLARY	3	JUVENILE	
CHILD CUSTODY ISSUE	1		
CIVIL STANDBY	6	ROBBERY	1
DISTURBANCE	4		
DOMESTIC DISTURBANCE	2		
DRUG RELATED COMPLAINT	3		
EXTRA PATROL REQUEST	1		
FOUND PROPERTY	1		
INFORMATION	5		
JUVENILE CONTACT	2		
K9 TRAINING	1		
NON INJURY ACCIDENT	1		
OUTSIDE ASSIST	5		
PEDESTRIAN CHECK	3		
PETTY THEFT	1		
PUBLIC WORKS CALL OUT	1		
RECKLESS DRIVING	1		
REPOSSESSED VEHICLE	1		
ROAD HAZARD	2		
ROBBERY	1		
SHOTS FIRED	1		
SUSPICIOUS CIRCUMSTANCES	6		
SUSPICIOUS VEHICLE	1		
THREATS	1		
TRAFFIC STOPS	24		
TRESPASSING	1		
UNSTABLE PERSON	1		
VANDALISM	2		
VIOLATION OF COURT ORDER	1		
WARRANT	2		

**GRIDLEY-BIGGS POLICE DEPARTMENT
MONTHLY COUNCIL REPORT
CITY OF BIGGS**

October. 2011

TYPE	THIS MONTH	YEAR TO DATE	2010
		2011	YEAR TO DATE
# OF ARREST			
ADULTS	4	64	51
JUVENILE	1	11	8
# OF CITATIONS			
TRAFFIC/CRIMINAL	8	68	87
MISC CALLS FOR SERVICE	152	1,499	1,456
# OF CRIMES REPORTED			
FELONY	6	34	32
MISDEMEANOR	5	86	89
# OF WARRANT ARREST			
ADULT	2	21	11
JUVENILE	0	1	2
# OF 911 CALLS	8	116	118

Gridley - Biggs Police Department

Traffic Summary for the City of Biggs

Month of October, 2011

	<i>Current Month</i>	<i>Year to Date 2011</i>
<i>Accidents Fatal</i>	0	0
<i>Accidents Personal Injury</i>	0	0
<i>Accidents Pedestrians</i>	0	0
<i>Accidents Property Damage</i>	1	4
<i>Hit and Run PDO</i>	0	1
<i>Hit and Run Injury</i>	0	1
<i>Accidents Total</i>	1	6
<i>Moving Violation Citations</i>	2	40
<i>Non-Moving Violations</i>	2	29
<i>Speeding Citations</i>	0	10
<i>Traffic Citations-Total</i>	4	79
<i>D.U.I. Arrests</i>	0	3

Comments:

GRIDLEY BIGGS POLICE DEPARTMENT
CITY OF BIGGS MONTH IN REVIEW
October, 2011

PERSONNEL

No personnel changes for the month of October.

TRAINING

- 10/18/2011 Assist. Chief Price and Supervisor Cain attended RIMS training in South Lake Tahoe.*
- 10/26/2011 Department members attended Range Training.*
- 10/27/2011 Assist. Chief Price, Sgt. Khan, Sgt. Harr, Officer Smallwood and Officer Johnson attended Electronic Search Warrant Training in Oroville.*

NOTES

- 10-7/10-14 & 10-18 RSVP's Hensley and Janda assisted with the Gridley High School Football Games.*
- 10/12/2011 Chief Keeler attended the Grand Opening of the New Public Safety Center at Yuba College.*
- 10/13/2011 Chief Keeler attended the Drug & Gang Trustee Fund Meeting,*
- 10/19/2011 Assist. Chief Price and Supervisor Cain attended the RIMS User Conference in South Lake Tahoe.*
- 10/21/2011 Assist. Chief Price attended an FBI Luncheon in West Sacramento.*
- 10/22/2011 Chief Keeler, Asst. Chief Price, Officer Roberts, Officer Reinhardt and Reserve Officer Hensley attended the Fallen Officer Dedication.*
- 10/24/2011 Officer Rodriguez spoke at the Biggs Elementary School Assembly regarding Red Ribbon Week.*
- 10-26 & 10-27 Officer Rodriguez, Reserve Officer Hensley, RSVP Janda, Explorer Khan and Explorer Richins Assisted with the Gridley High School "Haunted Crack House"*
- 10/28/2011 Officer Johnson & Reserve Officer Hensley assisted with Chico Police Department's Halloween events in Chico.*
- 10/30/2011 Officer Reusser & Reserve Officer Hensley assisted with Chico Police Department's Halloween events in Chico.*
- 10/31/2011 Sgt. Duncan & Reserve Officer Rodriguez assisted with Chico Police Department's Halloween events in Chico.*

Response times for this month are as follows:

- Priority 1 Events that involve injury, are life threatening or in progress*
- Priority 2 Events that involve property loss or damage*
- Priority 3 Other events that do not involve injury, threat of life, property loss or damage.*
- Priority 1 3 minutes*
- Priority 2 7 minutes*
- Priority 3 11 minutes*

MONTHLY REPORT OF LOCAL RABIES CONTROL ACTIVITIES

For Biggs October, 2011

City of Biggs Animal Control

Total calls for service: 17

RABIES VACCINATION AND LICENSING	A. Number of "Actual Cost" rabies public vaccination clinics held	0	
	B. Number of animal control citations issued for rabies vaccination and licensing violations	0	
		Dogs	Cats
	C. Dogs and cats vaccinated in "Actual Cost" public vaccination clinics	0	0
	D. Dogs and cats licensed in "Actual Cost" public vaccination clinics	0	0
	E. Total number of dogs and cats LICENSED in jurisdiction	/ 22	0
CANINE AND FELINE RABIES CONTROL	F. Dogs and cats on hand in the shelter October 1, 2011 (carried over from September 30, 2011)	3	2
	G. Dogs and cats entering the shelter, TOTAL: (Total should equal sum of 1 to 5 below)	6	1
	1. Dogs and cats captured by Animal Control Officers	5	1
	2. Dogs and cats surrendered by owners (not including those surrendered for quarantine)	1	0
	3. Dogs and cats surrendered by the public G1 THROUGH G5	0	0
	4. Dogs and cats impounded for animal bite quarantines ARE	0	0
	5. Dogs and cats transferred from another shelter MUTUALLY EXCLUSIVE	0	0
	H. Disposition of dogs and cats entering shelter, TOTAL: (Total should equal sum of F. plus 1 to 6 below)	5	0
	1. Dogs and cats reclaimed by owner	0	0
	2. Dogs and cats adopted by new owners H1 THROUGH H6	1	0
	3. Dogs and cats euthanized ARE	2	0
	4. Dogs and cats died of other causes MUTUALLY EXCLUSIVE	0	0
	5. Dogs and cats stolen, escaped, etc.	0	0
6. Dogs and cats transferred to another shelter	2	0	
I. Dead dogs and cats collected (excluding F, G, and H above)	0	1	
J. Dogs and cats on hand in the shelter October 31, 2011 (to be carried over to November 1, 2011)	4	2	
ANIMAL BITE REPORTING	K. Animal bites reported, TOTAL: (Total should be the sum of 1 and 2 below)	0	
		Dogs	Cats
	1. DOG and CAT bites reported, TOTAL: (Total should be the sum of a, b, c, and d below)	0	0
	a. Licensed	0	0
	b. Vaccinated only	0	0
	c. Neither licensed or vaccinated (but owned)	0	0
	d. Strays	0	0
	2. OTHER ANIMAL bites reported, TOTAL: (Total should be the sum of a and b below)	0	
a. Other domestics (excluding cats)	0		
b. Wild	0		

Other Animals Picked up: 1091D Geese

		Dogs	Cats
ANIMAL QUARANTINES	L. Number of 30 day quarantines for vaccinated dogs and cats exposed to potentially rabid animals.	0	0
	M. Number of 6 month quarantines for unvaccinated dogs and cats exposed to potentially rabid animals.	0	0
	N. Number of 6 month quarantines for domestic livestock (horses, cattle, etc.) exposed to potentially rabid animals.	0	
	O. Number of 30 day or 6 month quarantines not completed because the animals were euthanized.	0	
AGENCY ADMIN.	P. Number of animal control officers employed in jurisdiction	1	
	Q. Gridley-Biggs Animal Control 685 Kentucky Street, Gridley, CA 95948 530-846-4825		

Completed by:

Endorsement by local Health Officer or
Authorized representative:

Signature: Amy Burgess

Signature: _____

Name: Amy Burgess

Name (print): _____

Title: Animal Control Officer

Title: _____

Agency: Gridley-Biggs Animal Control

Agency: _____

Telephone: 530-846-4825

Telephone: _____

AFTER ENDORSEMENT
PLEASE FORWARD COMPLETED FORM TO:

Veterinary Public Health Section
California Department of Health Services
MS 7308
P.O. Box 997413
Sacramento, CA 95899-7413

PHONE: (916) 552-9740
FAX: (916) 552-9725

Biggs Monthly Animal Bite Activity

Agency: Gridley-Biggs Animal Control Monthly October, 2011

		Dogs	Cats
Animal Bite Reporting	A. Animal Bites Reported. TOTAL should be the sum of 1 and 2 below.	0	0
	1. DOG and CAT bites reported. Should equal sum of a, b, c, and d.	0	0
	a. Licensed	0	0
	b. Vaccinated only.	0	0
	c. Neither Licensed or Vaccinated	0	0
	d. Strays	0	0
	2. OTHER ANIMAL bites reported. Should equal sum of a and b.	0	0
	a. Other domestic (excluding cats.)	0	0
	b. Wild	0	0
Animal Quarantines	L. Number of 30 day quarantines for Vaccinated dogs and cats exposed to potentially rabid animals.	0	0
	M. Number of 6 month quarantines for Unvaccinated dogs and cats exposed to potentially rabid animals.	0	0
	N. Number of 6 month quarantines for Domestic livestock (horses, cattle, etc.) exposed to potentially rabid animals.	0	0
	O. Number of 30 day or 6 month Quarantines not completed because animals were euthanized.	0	0
Agency Administration	P. Number of animal Control Officers Employed in the jurisdiction.	1	

Prepared by: A. Burgess A. Burgess Gridley-Biggs Animal Control Officer

Date: Nov 1, 2011

685 Kentucky Street
Gridley, CA 95948
530-846-4825

Biggs Fire Department

Report on Conditions

October 2011

Biggs area Incidents	County	City
Medical	7	6
Traffic Collision	0	0
Hazardous Condition	0	0
Hazardous Materials	0	0
Public Assist	0	0
Vegetation fire	1	0
Structure fire	0	0
Vehicle fire	1	0
False Alarm	1	0
Total	10	6
Local area total	16	

These are in the Biggs Fire Station "First Due" area and reflect a local picture of the entire response workload of our regional fire protection system.

In October our fire engine responded to four (4) other emergencies in the Butte County area (beyond Biggs). Engine 73 also covered the Gridley Fire Station twice (2) and the Richvale Fire Station once (1) during the month. The combined total of responses for Engine 73 during October was twenty three (23).

October remained quiet; the last day of the declared fire season was October 31st. There were very few vegetation fires in most of California. Battalion Chief Mike Brown led a Strike Team of five CAL FIRE engines to Mariposa County for three days. The Strike Team was assigned to cover CAL FIRE stations throughout the Madera – Mariposa- Merced Unit of CAL FIRE.

Hydrant maintenance continued with only seven (7) remaining at month end (Great Job!). Station personnel participated in a Red Ribbon Week assembly at Biggs Elementary which was attended by 300 students and 20 adults.

The City Council approval of a VFA grant for safety gear is greatly appreciated and will fully outfit two Biggs firefighters and provide some reserve gear as well.



City of Biggs

Agenda Item Staff Report for the Regular City Council Meeting: November 21, 2011 6:00PM

DATE: November 15, 2011

TO: Honorable Mayor and Members of the City Council

FROM: Pete Carr, City Administrator/Finance

SUBJECT: Meter Maintenance Program Agreement and Metering Equipment Transfer Letter of Agreement and Bill of Sale (Action by Consent)

Background

Biggs Electric Utility operates as a Metered Subsystem ("MSS") within the California Independent System Operator ("CAISO") Balancing Authority Area, and is a party to the Second Amended and Restated NCPA MSS Aggregator Agreement ("MSSA Agreement"), as it may be amended from time to time; therefore City is obligated to comply with certain provisions of the CAISO Tariff applicable to metering equipment, including but not limited to, maintenance, outages, testing and certification. City is required to maintain CAISO certified settlement quality meters at each point-of-interconnection with the CAISO Balancing Authority Area, and at each CAISO registered generating facility; therefore meter maintenance, and the ability to promptly respond to meter failures is a critical requirement that must be met in order to remain compliant with the rules of the CAISO Tariff and MSSA Agreement.

Also, pursuant to Letter of Agreement 08-SNR-01177 made by and between Northern California Power Agency ("NCPA") and the Western Area Power Administration ("Western") on December 4, 2006, Western has transferred full title of meters and metering equipment located at the City's points-of-interconnection with the CAISO Balancing Authority Area, and in exchange NCPA provided to Western new meters of equivalent value. A subset of the meters and metering equipment transferred from Western to NCPA serve the loads of the City. Pursuant to NCPA Commission Resolution 08-103, the City previously provided funds to NCPA, which NCPA used to purchase the replacement meters that were delivered to Western under Letter of Agreement 08-SNR-11177. In exchange for such funds NCPA intends to transfer full right, title and interest in the meters and metering equipment to City, but such transfer has not occurred to date.

Issues

Issue 1 – Pursuant to NCPA Commission Resolution 08-103, NCPA has agreed to transfer to Biggs full right, title and interest in the meters and metering equipment received by NCPA from Western pursuant to Letter of Agreement 08-SNR-01177. Therefore, NCPA has developed a Metering Equipment Transfer Letter of Agreement and Bill of Sale to effectuate this transfer.

City staff is seeking city council approval to delegate authority to the city administrator to execute the Metering Equipment Transfer Letter of Agreement and Bill of Sale with NCPA, which once executed by City will complete the process for transferring such meters and metering equipment.

Issue 2 – In order to remain compliant with the rules and requirements of the CAISO Tariff and MSSA Agreement regarding meter maintenance and certification, City staff is seeking council approval to delegate authority to the city administrator to execute the Meter Maintenance Program Agreement developed by NCPA under which NCPA will provide services including maintenance, repair, testing, certification, installation, replacement and removal of meters and metering equipment to the City. NCPA has developed the Meter Maintenance Program Agreement under which NCPA will provide such services to the City by acquiring services from Trimark Associates, Inc. (“Trimark”) pursuant to the General Services Agreement Between NCPA and Trimark (“Services Agreement”).

The Meter Maintenance Program Agreement, Metering Equipment Transfer Letter of Agreement and Bill of Sale, Services Agreement, NCPA Commission Resolution 08-103 and Letter of Agreement 08-SNR-01177 have been attached to this staff report for reference.

Metering Equipment Transfer Letter of Agreement and Bill of Sale

The Metering Equipment Transfer Letter of Agreement and Bill of Sale has been developed to transfer full right, title and interest in the meters and metering equipment received by NCPA from Western, on behalf of Biggs, pursuant to Letter of Agreement 08-SNR-01177. The meters and metering equipment that will be transferred to Biggs will be transferred in their “AS IS” and “WHERE IS” condition, and NCPA will not provide any warranty of any kind, including, but not limited to, the warranty of title, fitness or merchantability, whether expressed or implied. The Metering Equipment Transfer Letter of Agreement and Bill of Sale also confirms that Biggs has previously compensated NCPA for the meters and metering equipment being transferred, pursuant to NCPA Commission Resolution 08-103; therefore the City’s obligation to compensate NCPA for the meters and metering equipment transferred under the agreement has been satisfied and is paid in full.

Meter Maintenance Program Agreement

NCPA has developed the Meter Maintenance Program Agreement under which NCPA will acquire services from Trimark, on behalf of Biggs, to perform meter maintenance activities. NCPA’s services provided under the Meter Maintenance Program Agreement will consist of the management of the Services Agreement with Trimark to perform meter and metering equipment maintenance, repair, testing, certification, installation, replacement and removal for the equipment located at the City’s point-of-interconnection with the CAISO Balancing Authority Area, which is on Dakota near State Rout 99. For the collective meter maintenance services and skills sought by NCPA, Trimark was deemed to be the sole source provider which has the combination of skills, equipment and staff required to perform the full collection of services NCPA is seeking, and Trimark is an established and reputable business partner in northern California. The Meter Maintenance Program Agreement will benefit Biggs by providing a cost effective, coordinated and responsive service to maintain meters and metering equipment, which is required to remain compliant with the rules of the CAISO Tariff and MSSA Agreement.

The Meter Maintenance Program Agreement is for a term of three (3) years, and is made to be consistent with the term of the underlying Services Agreement with Trimark. The scope of

services provided under the Meter Maintenance Program Agreement are described in detail in Exhibit A of the Meter Maintenance Program Agreement, but are meant to be consistent with, and not more broad than, the scope of the services in the Services Agreement. To perform services under the Meter Maintenance Program Agreement, NCPA will coordinate with Trimark and Biggs to respond to issues that arise in the field regarding meters and metering equipment covered under the scope of the agreement.

By executing the Meter Maintenance Program Agreement, Biggs agrees to secure NCPA's services by accepting a limited insurance based recourse against NCPA, with the option of procuring additional insurance at City's sole expense, thereby insuring that NCPA will substantially limit its risk for the provision of such services. The Meter Maintenance Program Agreement will act as a pass through agreement for the cost of services provided. NCPA will pass all costs incurred under the Services Agreement to provide service under the Meter Maintenance Program Agreement applicable to City's metering equipment. In addition to such pass through costs, Biggs also agrees to pay all NCPA management costs for providing services as set forth in NCPA's then current Annual Budget, if any.

Environmental Analysis

This activity would not result in a direct or reasonably foreseeable indirect change in the physical environment and is therefore not a "project" for purposes of Section 21065 of the California Environmental Quality Act. No environmental review is necessary.

Attachments (3)

1. Resolution 2011-22
2. Meter maintenance Agreement (provided electronically)
3. Meter Equipment transfer Letter

Recommendation

City staff recommends that the City Council adopt Resolution 2011-22 which will:

- approve the Meter Maintenance Program Agreement (which will benefit Biggs by providing a cost effective, coordinated and responsive service to maintain meters and metering equipment, which is required to remain compliant with the rules of the CAISO Tariff and MSSA Agreement); and
- approve the Meter Equipment Transfer Letter of Agreement and Bill of Sale (to effectuate the transfer of meters and metering equipment from NCPA to Biggs); and
- provide signature authority for the Mayor to execute the aforementioned documents.

Fiscal Impact

Costs for services provided to Biggs under the Meter Maintenance Program Agreement will be based on the compensation schedules and hourly fees included in Exhibit B of the Meter Maintenance Program Agreement, and the NCPA Annual Budget; estimate \$2000 annually.

RESOLUTION NO. 2011-22

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BIGGS
APPROVAL OF THE METER MAINTENANCE PROGRAM
AGREEMENT AND METERING EQUIPMENT TRANSFER LETTER OF
AGREEMENT AND BILL OF SALE**

WHEREAS, the City of Biggs operates as a Metered Subsystem located within the California Independent System Operator (“CAISO”) Balancing Authority Area, and is a party to the Second Amended and Restated NCPA MSS Aggregator Agreement (“MSSA Agreement”), as it may be amended from time to time, therefore City is obligated to comply with certain provisions of the CAISO Tariff applicable to metering equipment, including but not limited to, maintenance, outages, testing and certification; and

WHEREAS, pursuant to Letter of Agreement 08-SNR-01177 made by and between Northern California Power Agency (“NCPA”) and the Western Area Power Administration (“Western”), Western has transferred full title of meters and metering equipment located at the City’s point-of-interconnection, and in exchange NCPA provided to Western new meters of equivalent value; and

WHEREAS, pursuant to NCPA Commission Resolution 08-103, City previously provided funds to NCPA, which NCPA then used to purchase the replacement meters that were delivered to Western, and in exchange for such funds NCPA will transfer full right, title and interest in the meters and metering equipment received by NCPA from Western to City, but such transfer has not occurred; and

WHEREAS, NCPA has developed the Metering Equipment Transfer Letter of Agreement and Bill of Sale to effectuate the transfer of such meters and metering equipment from NCPA to City; and

WHEREAS, NCPA has developed the Meter Maintenance Program Agreement under which NCPA will acquire services from Trimark Associates Inc. (“Trimark”), pursuant to the General Services Agreement between NCPA and Trimark (“Services Agreement”), on behalf of City, to perform meter maintenance activities; and

WHEREAS, the Services Agreement provides for maintenance, repair, certification, testing, installation, replacement and removal of meters and metering equipment located at the City’s points-of-interconnection with the CAISO Balancing Authority Area; and

WHEREAS, pursuant to the Meter Maintenance Program Agreement, NCPA will manage the coordination of meter maintenance and repair activities between City and Trimark, therefore the Meter Maintenance Program Agreement will benefit City by providing a cost effective, coordinated and responsive service to maintain meters and metering equipment; and

WHEREAS, costs for services provided to City under the Meter Maintenance Program Agreement will be based on the compensation schedules and hourly fees specified in the Meter Maintenance Program Agreement; and

WHEREAS, the environmental impact is addressed in related November 21, 2011 staff report;

NOW, THEREFORE BE IT RESOLVED, that the City Council of the City of Biggs:

1. Adopts and approves the Metering Equipment Transfer Letter of Agreement and Bill of Sale to effectuate the transfer of meters and metering equipment from NCPA to City.
2. Provides authority to the Mayor of Biggs to execute the Metering Equipment Transfer Letter of Agreement and Bill of Sale on behalf of City.
3. Adopts and approves the Meter Maintenance Program Agreement, which will benefit City by providing a cost effective, coordinated and responsive service to maintain meters and metering equipment, which is required to remain compliant with the rules of the CAISO Tariff and MSSA Agreement.
4. Provides authority to the Mayor of Biggs to execute the Meter Maintenance Program Agreement on behalf of City.

I HEREBY CERTIFY that the foregoing RESOLUTION was duly introduced, passed and adopted at a regular meeting of the City Council of the City of Biggs, held on the 21st of November 2011, by the following vote:

AYES: COUNCILMEMBER _____

NOES: COUNCILMEMBER _____

ABSENT: COUNCILMEMBER _____

ABSTAIN: COUNCILMEMBER _____

ATTEST:

APPROVED:

Roben Dewsnup
CITY CLERK

Roger L. Frith
MAYOR



METER MAINTENANCE PROGRAM AGREEMENT BETWEEN NORTHERN CALIFORNIA POWER AGENCY AND CONTRACTING MEMBERS

This Meter Maintenance Program Agreement ("Agreement") is made by and between the NORTHERN CALIFORNIA POWER AGENCY ("NCPA"), a joint public powers agency with offices located at 651 Commerce Drive, Roseville, California and City of Alameda, City of Biggs, City of Gridley, City of Healdsburg, City of Lodi, City of Lompoc, City of Palo Alto, Plumas Sierra Rural Electric Cooperative, City of Oakland (acting through its Board of Port Commissioners) and City of Ukiah, who each are NCPA Members (each being a "Contracting Member" and jointly referred to as "Contracting Members"). NCPA and the Contracting Members are together sometimes referred to herein individually as a "Party" and collectively as the "Parties". This Agreement is made as of _____, 20__ (the "Effective Date") in Roseville, California.

Section 1. RECITALS

This Agreement is entered into based on the following facts, among others:

1.1 NCPA is a public agency created by a joint powers agreement established under California law for the purpose of assisting its members in the efficient use of their common powers.

1.2 Contracting Members are engaged in, among other things, transmitting and distributing electric power within their respective corporate limits. Contracting Members are also members of NCPA. Contracting Members desire that NCPA provide Contracting Members with the Services described in this Agreement.

1.3 Article III, section 3 of the "Amended and Restated Northern California Power Agency Joint Powers Agreement" (as amended and effective January 1, 2008) (hereinafter "JPA") entitled "Powers and Functions" provides that none of the debts, liabilities or obligations of NCPA shall be the debts, liabilities or obligations of any of the members of NCPA unless assumed in a particular case by resolution of the governing body of the member to be charged." Notwithstanding the foregoing, Article V, section 1 of the JPA entitled "General Provisions" provides that "[t]he governing Commission of NCPA is authorized to procure public liability and other insurance as it deems advisable to protect NCPA and each of the parties hereto, charging the cost thereof to the operating costs of NCPA."

1.4 Contracting Members desire to secure NCPA's Services under this Agreement in a manner that balances their interests and the interests of other NCPA members with the ongoing financial viability and professional responsibilities of NCPA. Accordingly, Contracting Members desire to secure NCPA's Services under this Agreement by accepting a limited insurance based recourse against NCPA, with the option of procuring additional insurance at Contracting Members' sole expense, thereby insuring that NCPA will substantially limit its risk for the provision of such Services which, in turn, allocates risks back to the Contracting Members in the event NCPA is not adequately insured.

1.5 Contracting Members operate as Metered Subsystems located within the CAISO Balancing Authority Area, and are parties to the Second Amended and Restated NCPA MSS Aggregator Agreement, as it may be amended from time to time; therefore Contracting Members have obligations to comply with certain provisions of the CAISO tariff applicable to metering equipment, including but not limited to, maintenance, outages, testing, and certification.

1.6 Contracting Members desire to secure NCPA's Services under this Agreement to manage the maintenance, repair, testing, certification, installation, replacement, and removal of the metering equipment listed in Exhibit C herein, which is owned or operated by Contracting Members.

1.7 NCPA will provide Services to Contracting Members under this Agreement by acquiring services from Trimark Associates, Inc. ("Contractor") pursuant to the General Services Agreement Between the Northern California Power Agency and Trimark Associates, Inc. dated as of _____, 20__ ("Service Agreement").

NOW THEREFORE, in consideration of the mutual covenants and promises set forth, NCPA and Contracting Members agree as follows:

Section 2. DEFINITIONS

Whenever used in this Agreement with initial capitalization, these terms shall have the following meanings as applicable, whether in the singular or plural:

2.1 "All Resources Bill" shall mean the single, combined monthly bill from NCPA to a NCPA Member, with respect to all NCPA programs and projects.

2.2 "Annual Budget" shall mean the budget for the ensuing Fiscal Year adopted by the Commission, as may be amended from time to time.

2.3 "Balancing Authority" shall mean the responsible entity that integrates resource plans ahead of time, maintains load-interchange-generation balance within a Balancing Authority Area, and supports interconnection frequency in real time.

2.4 "Balancing Authority Area" shall mean the geographic territory over which a Balancing Authority exercises jurisdiction.

2.5 "CAISO" shall mean California Independent System Operator, a non-profit benefit corporation acting as a Balancing Authority and responsible for the provision of fair and open transmission access, and maintaining reliable and efficient operation of the grid, within portions of the State of California, or its successor Balancing Authority.

2.6 "Commission" shall mean the NCPA Commission.

2.7 "Contractor" shall mean Trimark Associates, Inc., the counterparty to NCPA on the Service Agreement.

2.8 "Fiscal Year" shall mean the NCPA fiscal year, a twelve month period beginning July 1 and ending on the next following June 30.

2.9 "Good Utility Practice" shall mean any of the practices, methods and acts engaged in or approved by a significant portion of the electric utility industry during the relevant time period, or any of the practices, methods and acts which, in the exercise of reasonable judgment in light of the facts known at the time the decision was made, could have been expected to accomplish the desired result of the lowest reasonable cost consistent with good business practices, reliability, safety and expedition. Good Utility Practice is not intended to be limited to the optimum practice, method or act to the exclusion of all others, but rather to be acceptable practices, methods, or acts generally accepted in the region and consistently adhered to by the electric utility industry.

2.10 "Metered Subsystem" or "MSS" shall mean a geographically contiguous electrical system, recognized by CAISO as a MSS, which operates as a publicly owned utility, state agency or federal power marketing authority within the Balancing Authority Area in which all electrical flows into or out of the MSS are measured by CAISO certified revenue quality meters at each interface point with the CAISO controlled grid, and all generating units or resources, including proxy demand resources internal to the MSS, measured by CAISO certified revenue quality meters, and which is operated in accordance with a CAISO approved MSS agreement.

2.11 "NCPA Members" shall mean the signatories to the JPA or those agencies which have executed an Associate Member Agreement with NCPA.

2.12 "Scheduling Coordinator" shall mean an entity certified by the CAISO to transact in the CAISO market.

2.13 "Service Agreement" shall mean the General Services Agreement Between Northern California Power Agency and Trimark Associates, Inc., dated _____, 20__, for the provision of metering equipment maintenance.

2.14 "Uncontrollable Force" shall mean any act of God, labor disturbance, act of the public enemy, war, insurrection, riot, fire, storm, flood, earthquake, explosion, any curtailment, order, regulation or restriction imposed by governmental, military or lawfully established civilian authorities or any other cause beyond the reasonable control of the Party claiming Uncontrollable Force which could not be avoided through the exercise of Good Utility Practice.

Section 3. SERVICES TO BE PROVIDED; AUTHORIZED REPRESENTATIVES; STANDARD OF PERFORMANCE

3.1 Services. This Agreement is entered into by the Parties in order for NCPA to provide services to Contracting Members as described in the Scope of Services, Exhibit A hereto ("Services").

3.2 Authorized Representatives. The Authorized Representatives of the Parties for contract administration purposes under this Agreement are listed in Section 12.8.

No Authorized Representative is authorized to amend any provision of this Agreement except in accordance with Section 12.16.

3.3 Standard of Performance. NCPA will perform and or oversee, as applicable, the Services using that level of skill and attention reasonably required to complete the Services in a competent and timely manner.

3.4 Assignment of Personnel. NCPA shall assign only competent personnel to perform Services pursuant to this Agreement.

3.5 Time. NCPA shall devote such time to the performance of Services pursuant to this Agreement as may be reasonably necessary to meet the standard of performance provided in Section 3.3 above, and to satisfy NCPA's obligations hereunder.

3.6 Service Agreement. Contracting Members acknowledge that NCPA will provide all Services through the Service Agreement, rather than using NCPA employees, and that NCPA's direct Services are limited to the administration of the Service Agreement on behalf of the Contracting Members.

3.7 Operational Contact. Each Party shall identify a representative to act as its Operational Contact. Each Operational Contact will be the first point of contact for the Parties regarding coordination of Services provided under this Agreement and the Service Agreement. Each Operational Contact is listed in Exhibit D of this Agreement.

Section 4. TERM AND TERMINATION

4.1 Authorization to Perform Services. NCPA is not authorized to perform any initial Services or incur any costs whatsoever under the terms of this Agreement until its receipt of a written resolution and/or other appropriate/applicable authorization from each Contracting Member's governing body confirming Contracting Member's authority to enter into this Agreement and confirming that the Contracting Member has allocated funds for and approved contract payments to NCPA under this Agreement.

4.2 Term. The term of this Agreement is intended to be consistent with that of the Service Agreement. The term of this Agreement shall begin on the Effective Date and shall end upon the termination date of the Service Agreement, as such Service Agreement termination date may be extended or shortened pursuant to that agreement.

Section 5. INDEMNITY AND INSURANCE

5.1 Limitation of NCPA's Liability.

5.1.1 Except as provided in this section 5.1, NCPA shall not at any time be liable for any injury or damage occurring to a Contracting Member or any other person or property from any cause whatsoever arising out of this Agreement, including the actions or inaction of Contractor.

5.1.2 The provisions of section 5.1.1 shall not apply where the injury or damage occurring to a Contracting Member is caused by the negligence of NCPA or of any employee, agent or contractor of NCPA, other than Contractor, and provided that any liability under this subsection is limited to the extent of the actual coverage and coverage limits of the NCPA insurance policies described in this Section 5.

5.1.3 Contracting Members Liable for NCPA's Deductibles and or Self-Insured Retentions. Notwithstanding Section 5.1.2 above, the Contracting Members agrees to reimburse NCPA, in a timely manner, for all deductibles and/or self-insured retentions payable for any claim, liability or damage arising out of this Agreement.

5.2 Indemnification of NCPA. Except as specified in Section 5.1.2 above, Contracting Members shall, at their sole cost and expense, indemnify and hold harmless NCPA and all associated, affiliated, allied, member and subsidiary entities of NCPA, now existing or hereinafter created, and their respective officers, boards, commissions, employees, agents, attorneys, and contractors (hereinafter referred to as "Indemnitees"), from and against any and all liability, obligation, damages, penalties, claims, liens, costs, charges, losses and expenses (including, without limitation, reasonable fees and expenses of attorneys, expert witnesses and consultants), which may be imposed upon, incurred by or be asserted against the Indemnitees arising out of this Agreement.

5.3 Defense of Indemnitees. In the event any action or proceeding shall be brought against the Indemnitees by reason of any matter for which the Indemnitees are indemnified hereunder, Contracting Members shall, upon reasonable prior written notice from any of the Indemnitees, at Contracting Members' sole cost and expense, resist and defend the same with legal counsel mutually selected by Indemnitee and the Contracting Members, unless mutual selection of counsel is expressly prohibited by an applicable insurance policy; provided however, that neither Indemnitee nor Contracting Members shall admit liability in any such matter or on behalf of the other without express written consent, which consent shall not be unreasonably withheld or delayed, nor enter into any compromise or settlement of any claim for which Indemnitees are indemnified hereunder without prior express written consent. The Contracting Members' duty to defend shall begin upon receipt of a written notice identifying with specificity the allegations that give rise to this duty to defend.

5.4 Notice. The Parties shall give each other prompt notice of the making of any claim or the commencement of any action, suit or other proceeding covered by the provisions of this Section 5.

5.5 Insurance. During the term of the Agreement and prior to beginning any work under this Agreement, NCPA shall maintain, or cause to be maintained, in full force and effect, and at its sole cost and expense, the types and limits of liability insurance as are annually approved by the Commission. The types and limits of liability insurance that are applicable to this Agreement are evidenced in policy summaries, which are attached hereto as Exhibit E. NCPA warrants and represents that the types of liability insurance and coverage limits shown in Exhibit E are in full force and effect and shall remain so during the term of this Agreement unless NCPA gives prior written notification (of not less than 30 days) of modification, cancellation or rescission of such coverage.

5.6 Contracting Member's Acknowledgment of Option to Secure Additional Insurance. Each Contracting Member acknowledges that there are limitations on NCPA's liability to Contracting Member under this Section 5 and that each Contracting Member may need to purchase additional insurance of its own to cover the additional risks and the potential additional liabilities it is assuming under this Agreement. Each Contracting Member agrees that it will cause, with respect to any additional insurance it obtains or which is otherwise available to Contracting Member, its insurer(s) to issue an endorsement providing a waiver of subrogation rights as to Indemnitees.

5.7 Survival of Obligations. The defense and indemnity obligations of Section 5 shall survive the termination of this Agreement.

5.8 Contractor Insurance and Liability. The Service Agreement obligates the Contractor to maintain certain insurance. Nothing in this Section 5 shall limit the right of a Contracting Member to recover damages from the Contractor, whether or not covered by such insurance; provided, however, the Contracting Member shall defend, indemnify and hold NCPA harmless against any subrogation or other claims by Contractor against NCPA pursuant to sections 5.2 and 5.3.

Section 6. COMPENSATION AND CHARGES

6.1 Compensation and Charges. Each Contracting Member hereby agrees to reimburse NCPA for all costs NCPA incurs for providing Services to Contracting Member. Charges for the Services provided hereunder shall be the sum of (a), (b) and (c) below, and shall be billed separately to each Contracting Member in accordance with Exhibit B:

- (a) Fixed Meter Fees. Charges for Services provided hereunder include a fixed annual fee of One Thousand Three Hundred Sixty Dollars (\$1,360) per primary meter, Seven Hundred Forty Dollars (\$740) per back-up meter, and Three Hundred Twenty Dollars (\$320) per auxiliary meter. Exhibit C lists all primary meters, back-up meters and auxiliary meters included within the scope of this Agreement.
- (b) Service Fees. Charges for Services provided hereunder include variable service fees based on the compensation schedule and hourly fees listed in Exhibit B. Service fees will be charged to each Contracting Member based actual Services provided.
- (c) Management Costs. NCPA management costs set forth in NCPA's then current Annual Budget (including amounts necessary to reimburse NCPA for the time expended by its employees and agents in administering this Agreement, including all attorneys fees), and other reimbursable expenses incurred in performing the Services. The Annual Budget will be updated and approved by the Commission, as it deems necessary, but not less than each year in connection with NCPA's Annual Budget process. Such approved updates will reflect NCPA's then current estimated annual cost for performing such continued Services.

Contracting Member shall pay NCPA for Services rendered pursuant to this Agreement at the time and in the manner set forth herein. The payments specified herein shall be the only payments from Contracting Member to NCPA for Services rendered pursuant to this Agreement. NCPA shall submit all invoices to Contracting Member in the manner specified herein.

The Parties acknowledge and agree that compensation paid by Contracting Members to NCPA under this Agreement is based upon NCPA's estimated costs of providing the Services required hereunder, including salaries and benefits of employees and the costs of Contractor under the Service Agreement, and that the compensation to be paid shall be adjusted by NCPA so as to fully recover its costs of the Services.

6.2 The Parties agree that compensation hereunder is intended to include the costs of contributions to any pensions and/or annuities to which NCPA and its employees, agents, and subcontractors may be eligible. Contracting Members therefore have no responsibility for such contributions beyond compensation required under this Agreement.

Section 7. BILLING AND PAYMENT

7.1 Invoices. NCPA shall submit invoices in the form of the All Resources Bill, based on the cost for Services performed and reimbursable costs incurred prior to the invoice date. Invoices shall be accompanied with adequate and proper supporting information and documentation for the Services performed, if and as applicable.

7.2 Monthly Payment. Contracting Members shall make payments, based on invoices received, for Services performed, and for authorized reimbursable costs incurred as specified herein.

Payments shall be remitted directly to:

Northern California Power Agency
651 Commerce Drive
Roseville, California 95678
Attn: Accounts Receivable

Except for an "Uncontrollable Force" as described in Section 9 hereof, any amount due and payable but not paid by a Contracting Member by no later than the invoice due date set forth on the invoice shall bear interest at the per annum prime rate (or reference rate) of the Bank of America NT & SA, then in effect, plus two percent per annum computed on a daily basis until paid. NCPA will mail all invoices within 24 hours of the invoice date thereon.

The postmark date on the envelope containing payment by check shall be used to determine timeliness of payment, except that payments received later than seven (7) days after the due date shall be declared late without regard to postmark date. An invoice coming due on a Friday, holiday, or weekend shall be due on the next following nationally recognized working day.

7.3 Billing Dispute. If all or any portion of a bill is disputed by a Contracting Member, the entire amount of the bill shall be paid when due, and NCPA's Authorized Representative shall

be concurrently provided written notice of the disputed amount and the basis for the dispute. NCPA shall reimburse any amount determined to have been incorrectly billed, within ten (10) days after such determination.

7.4 Total Payment. Each Contracting Member shall pay for the Services to be rendered by NCPA pursuant to this Agreement. Contracting Member shall not pay any additional sum for any expense or cost whatsoever incurred by NCPA in rendering Services pursuant to this Agreement other than the payments provided for herein unless the Agreement has been modified by a properly executed amendment in accordance with Section 12.16 this Agreement.

7.5 Reimbursable Expenses. Reimbursable expenses not contained in the Agreement or the Exhibits of the Agreement are not chargeable to Contracting Members.

7.6 Payment of Taxes. NCPA is solely responsible for the payment of employment taxes incurred under this Agreement and any similar federal or state taxes.

7.7 Payment upon Termination. Upon termination, Contracting Members shall compensate NCPA for all outstanding costs and reimbursable expenses incurred for work satisfactorily completed as of the date of termination. NCPA shall maintain adequate logs and timesheets in order to verify costs incurred to that date.

Section 8. STATUS OF NCPA

8.1 Independent Contractor. At all times during the term of this Agreement, NCPA shall be an independent contractor and shall not be an employee of Contracting Members. Contracting Members shall have the right to control NCPA only insofar as the results of NCPA's Services rendered pursuant to this Agreement and assignment of personnel pursuant to Section 3.4; however, otherwise Contracting Members shall not have the right to control the means by which NCPA accomplishes Services rendered pursuant to this Agreement. Notwithstanding any other agency, state, local or federal policy, rule, regulation, law, or ordinance to the contrary, NCPA and any of its employees, agents, and subcontractors providing Services under this Agreement shall not qualify for or become entitled to, and hereby agree to waive any and all claims to, any compensation, benefit, or any incident of employment by Contracting Members, including but not limited to eligibility to enroll in the California Public Employees Retirement System (PERS) as an employee of Contracting Members and entitlement to any contribution to be paid by Contracting Members for employer contributions and/or employee contributions for PERS benefits.

Section 9. UNCONTROLLABLE FORCES

9.1 Obligations of the Parties, other than those to pay money when due, shall be excused for so long as and to the extent that failure to perform such obligations is due to an Uncontrollable Force; provided, however, that if either Party is unable to perform due to an Uncontrollable Force, such Party shall exercise due diligence to remove such inability with reasonable dispatch. Nothing contained in this Agreement shall be construed as requiring a Party to settle any strike, lockout, or labor dispute in which it may be involved, or to accept any permit, certificate, contract, or any other service agreement or authorization necessary for the performance

of this Agreement which contains terms and conditions which a Party determines in its good faith judgment are unduly burdensome or otherwise unacceptable.

9.2 Each Party shall notify the other promptly, by telephone to the other Party's Operational Contact identified in Exhibit D and Authorized Representative identified in Section 3.2, upon becoming aware of any Uncontrollable Force which may adversely affect the performance under this Agreement. A Party shall additionally provide written notice in accordance with Section 12.8 to the other Party within 24 hours after providing notice by telephone. Each Party shall notify the other promptly, when an Uncontrollable Force has been remedied or no longer exists.

Section 10. LEGAL REQUIREMENTS

10.1 Governing Law. The laws of the State of California shall govern this Agreement, without regard for the choice of law doctrine.

10.2 Compliance with Applicable Laws. NCPA and Contractor shall comply with all laws applicable to the performance of the Services hereunder.

10.3 Other Governmental Regulations. To the extent that this Agreement may be funded by fiscal assistance from another governmental entity, NCPA and Contractor shall comply with all applicable rules and regulations to which Contracting Members are bound by the terms of such fiscal assistance program, provided that the affected Contracting Members shall have provided notice of such rules and regulations to NCPA prior to the approval of this Agreement.

10.4 Licenses and Permits. NCPA represents and warrants to Contracting Members that NCPA and its employees, agents, and any subcontractors have all licenses, permits, qualifications, and approvals of whatsoever nature that is legally required to practice their respective professions. NCPA represents and warrants to Contracting Members that NCPA and its employees, agents, and subcontractors shall, at their sole cost and expense, keep in effect at all times during the term of this Agreement any licenses, permits, and approvals that are legally required to practice their respective professions.

10.5 Nondiscrimination and Equal Opportunity. NCPA shall not discriminate, on the basis of a person's race, religion, color, national origin, age, physical or mental handicap or disability, medical condition, marital status, sex, or sexual orientation, against any employee, applicant for employment, subcontractor, bidder for a subcontract, or participant in, recipient of, or applicant for any services or programs provided by NCPA under this Agreement. NCPA shall comply with all applicable federal, state, and local laws, policies, rules, and requirements related to equal opportunity and nondiscrimination in employment, contracting, and the provision of any services that are the subject of this Agreement, including but not limited to the satisfaction of any positive obligations required of NCPA thereby.

NCPA shall include the provisions of this Subsection in any subcontract approved by Contracting Members' Contract Administrator or this Agreement.

Section 11. KEEPING AND STATUS OF RECORDS

11.1 Records Created as Part of NCPA's Performance. All reports, data, maps, models, charts, studies, surveys, photographs, memoranda, plans, studies, specifications, records, files, or any other documents or materials, in electronic or any other form, that NCPA prepares or obtains pursuant to this Agreement and that relate to the matters covered hereunder shall be the property of the affected Contracting Members. NCPA hereby agrees to deliver those documents to Contracting Members upon termination of the Agreement. It is understood and agreed that the documents and other materials, including but not limited to those described above, prepared pursuant to this Agreement are prepared specifically for the Contracting Members and are not necessarily suitable for any future or other use. The Parties agree that, until final approval by Contracting Members, all data, plans, specifications, reports and other documents are confidential and will not be released to third parties without prior written consent of both affected Parties, except as may otherwise be required by applicable law.

11.2 NCPA's Books and Records. NCPA shall maintain any and all ledgers, books of account, invoices, vouchers, canceled checks, and other records or documents evidencing or relating to charges for Services or expenditures and disbursements charged to a Contracting Member under this Agreement for a minimum of three (3) years, or for any longer period required by law, from the date of final payment to NCPA pursuant to this Agreement.

11.3 Inspection and Audit of Records. Any records or documents that Section 11.1 of this Agreement requires NCPA to maintain shall be made available for inspection, audit, and/or copying at any time during regular business hours, upon oral or written request of the Contracting Members. Under California Government Code Section 8546.7, if the amount of public funds expended under this Agreement exceeds TEN THOUSAND DOLLARS (\$10,000.00), the Agreement shall be subject to the examination and audit of the State Auditor, at the request of Contracting Members or as part of any audit of the Contracting Members, for a period of three (3) years after final payment under the Agreement.

11.4 Confidential Information and Disclosure. During the term of this Agreement, either Party ("Disclosing Party") may disclose confidential, proprietary or trade secret information (the "Information"), to the other Party ("Receiving Party"). All such Information made available in a tangible medium of expression (such as, without limitation, on paper or by means of magnetic tapes, magnetic disks or other computer media) shall be marked in a prominent location to indicate that it is the confidential, proprietary and trade secret information of Disclosing Party at the time of disclosure to Receiving Party. Receiving Party shall hold Disclosing Party's Information in confidence and shall take all reasonable steps to prevent any unauthorized possession, use, copying, transfer or disclosure of such Information. Receiving Party shall not attempt to reverse engineer or in any manner create any product or information which is similar in appearance to or based on the Information provided by Disclosing Party. Receiving Party shall not disclose Disclosing Party's Information to any person other than Receiving Party's employees, agents, contractors and subcontractors who have a need to know in connection with this Agreement.

Receiving Party's confidentiality obligations hereunder shall not apply to any portion of Disclosing Party's Information which:

- (a) Has become a matter of public knowledge other than through an act or omission of

Receiving Party;

- (b) Has been made known to Receiving Party by a third party in accordance with such third party's legal rights without any restriction on disclosure;
- (c) Was in the possession of Receiving Party prior to the disclosure of such Information by Disclosing Party and was not acquired directly or indirectly from the other party or any person or entity in a relationship of trust and confidence with the other party with respect to such Information;
- (d) Receiving Party is required by law to disclose; or
- (e) Has been independently developed by Receiving Party from information not defined as "Information" in this Agreement, as evidenced by Receiving Party's written records.

Receiving Party shall return or destroy Disclosing Party's Information (including all copies thereof) to Disclosing Party promptly upon the earliest of any termination of this Agreement or the Disclosing Party's written request. Notwithstanding the foregoing, Receiving Party may retain one copy of such Information solely for archival purposes, subject to the confidentiality provisions of this Agreement. The parties understand that each party is a public entity and is subject to the laws that may compel either to disclose information about the other's business.

Section 12. MISCELLANEOUS PROVISIONS

12.1 Attorneys' Fees. If a Party to this Agreement brings any action, including an action for declaratory relief, to enforce or interpret the provisions of this Agreement, the prevailing Party shall be entitled to reasonable attorneys' fees in addition to any other relief to which that Party may be entitled. The court may set such fees in the same action or in a separate action brought for that purpose.

12.2 Venue. In the event that either Party brings any action against the other under this Agreement, the Parties agree that trial of such action shall be vested exclusively in the state courts of California in the County of Placer or in the United States District Court for the Eastern District of California.

12.3 Severability. If any provision of this Agreement shall be determined by a court of competent jurisdiction to be invalid, void or unenforceable, or if any provision of this Agreement is rendered invalid or unenforceable by federal or state statute or regulation, but the remaining portions of the Agreement can be enforced without failure of material consideration to any Party, then the remaining provisions shall continue in full force and effect. To that end, this Agreement is declared to be severable. Provided, however, that in the event any provision is declared to be invalid, void or unenforceable, either Party may terminate this Agreement upon ten (10) days written notice given within five (5) days of receipt of notice of final entry of judgment.

12.4 No Implied Waiver of Breach. The waiver of any breach of a specific provision of this Agreement does not constitute a waiver of any other breach of that term or any other term of this Agreement.

12.5 Successors and Assigns. The provisions of this Agreement shall inure to the benefit of and shall apply to and bind the successors and assigns of the Parties.

12.6 Use of Recycled Products. NCPA shall endeavor to prepare and submit all reports,

written studies and other printed material on recycled paper to the extent it is available at equal or less cost than virgin paper.

12.7 Conflict of Interest. NCPA shall not employ any Contracting Member official or employee in the work performed pursuant to this Agreement. No officer or employee of Contracting Members shall have any financial interest in this Agreement that would violate California Government Code Sections 1090 *et seq.*

12.8 Notices. Unless this Agreement requires otherwise, any notice, demand or request provided for in this Agreement, or served, given or made shall become effective when delivered in person, or sent by registered or certified first class mail, to the persons specified below:

Northern California Power Agency

Donna Stevener
Assistant General Manager; Administrative Services
Northern California Power Agency
651 Commerce Drive
Roseville, CA 95678

With a copy to:

Michael F. Dean
General Counsel
Northern California Power Agency
Meyers Nave
555 Capitol Mall, Suite 1200
Sacramento, CA 95814

Alameda Municipal Power

Girish Balachandran
Utility Director
Alameda Municipal Power
2000 Grand Street
PO Box H
Alameda, CA 94501

With a copy to:

Farimah Faiz
Legal Counsel
Alameda Municipal Power
2263 Santa Clara Avenue, Room 280
Alameda, CA 94501

City of Biggs

Pete Carr
Utility Director
City of Biggs
465 "C" Street
PO Box 307
Biggs, CA 95917

With a copy to:

Gregory P Einhorn
Legal Counsel
City of Biggs
854 Manzanita Court, Suite 110
Chico, CA 95926

City of Gridley

Rob Hickey
Utility Director
City of Gridley
685 Kentucky Street
Gridley, CA 95948

With a copy to:

Brant J. Bordsen
Legal Counsel
Rich, Fuidge, Morris & Iverson, Inc.
1129 D Street
PO Box A
Marysville, CA 95901

City of Healdsburg

Terry Crowley
Utility Director
City of Healdsburg
401 Grove Street
Healdsburg, CA 95448

With a copy to:

Michael E. Gogna
Legal Counsel
Meyers, Nave, Riback, Silver & Wilson
401 Mendocino Avenue, Suite 100

Santa Rosa, CA 95401

City of Lodi

Elizabeth Kirkley
Utility Director
City of Lodi
1331 Ham Lane
Lodi, CA 95242

With a copy to:

Stephen Schwabauer
Legal Counsel
City of Lodi
221 W. Pine Street
PO Box 3006
Lodi, CA 95241

City of Lompoc

Ronald Stassi
Utility Director
City of Lompoc
100 Civic Center Plaza
PO Box 8001
Lompoc, CA 93436

With a copy to:

Joe Pannone
Legal Counsel
City of Lompoc
100 Civic Center Plaza
Lompoc, CA 93436

City of Palo Alto

Valerie Fong
Utility Director
City of Palo Alto
250 Hamilton Avenue
PO Box 10250
Palo Alto, CA 94301

With a copy to:

Grant M.W. Kolling
Senior Asst. City Attorney
City of Palo Alto
250 Hamilton Avenue
Palo Alto, CA 94301

Plumas Sierra Rural Electric Cooperative

Bob Marshall
Utility Director
Plumas Sierra Rural Electric Cooperative
732233 Highway 70
Portola, CA 96122

With a copy to:

Liz Johnson
Legal Counsel
Law Office of Wilkins and Johnson
494 Main Street
PO Box 307
Weaverville, CA 96093

Port of Oakland

Wing Lau
Utility Director
Port of Oakland
530 Water Street
PO Box 2064
Oakland, CA 94604

With a copy to:

Mary Richardson
Legal Counsel
Port of Oakland
530 Water Street
PO Box 2064
Oakland, CA 94604

City of Ukiah

Mel Grandi
Utility Director
City of Ukiah
300 Seminary Avenue

Ukiah, CA 95482

With a copy to:

David J. Rapport
Legal Counsel
Rapport and Marston
405 West Perkins Street
Ukiah, CA 95482

Whenever it is required, permitted, or desired in this Agreement that written notice or demand be given by any Party to any other Party, such notice or demand may be either personally served or sent by United States Mail, or facsimile. Notice shall be deemed to have been given when personally served, when deposited in the United States Mail, certified or registered with postage prepaid and properly addressed, or when transmitted by facsimile provided however, notices delivered by facsimile shall only be effective if delivered during regular business hours on a day that is considered a regular business day for NCPA by the involved Parties.

12.9 Integration; Incorporation. This Agreement, including all the Exhibits attached hereto, represents the entire and integrated agreement between Contracting Members and NCPA relating to the subject matter of this Agreement, and supersedes all prior negotiations, representations, or agreements, either written or oral. All Exhibits attached hereto are incorporated by reference herein.

- Exhibit A – Scope of Services
- Exhibit B – Compensation Schedule and Hourly Fees
- Exhibit C – List of Primary Sites and Equipment
- Exhibit D – Contracting Members' and NCPA Operational Contacts
- Exhibit E – NCPA Summaries of Liability Insurance

12.10 Dispute Resolution. If any dispute arises between the Parties that cannot be settled after engaging in good faith negotiations, the Parties agree to resolve the dispute in accordance with the following:

12.10.1 Each Party shall designate a senior management or executive level representative to negotiate any dispute;

12.10.2 The representatives shall attempt, through good faith negotiations, to resolve the dispute by any means within their authority.

12.10.3 If the issue remains unresolved after ONE HUNDRED AND TWENTY (120) days of good faith negotiations, despite having used their best efforts to do so, either Party may pursue whatever other remedies may be available to it.

12.10.4 This informal resolution process is not intended to nor shall be construed to change the time periods for filing a claim or action specified by Government Code § 900, *et seq.*

12.11 Other Agreements. This Agreement is not intended to modify or change any other agreement between any of the Parties, individually or collectively.

12.12 Counterparts. This Agreement may be executed in multiple counterparts, each of which shall be an original and all of which together shall constitute one agreement.

12.13 Obligations Several. The duties, obligations and liabilities of the Parties are intended to be several and not joint or collective. Nothing contained in this Agreement shall ever be construed to create an association, trust, partnership or joint venture or to impose a trust or partnership duty, obligation or liability on or with regard to either Party. Each Party shall be individually and severally liable for its own obligations under this Agreement.

12.14 Effect of Section Headings. Section headings and subheadings appearing in this Agreement are inserted for convenience only and shall not be construed as interpretation of text.

12.15 Authority of Signatories. The signatories hereby represent that they have been appropriately authorized to execute this Agreement on behalf of the Party for whom they sign.

12.16 Amendments.

12.16.1 Deemed Approved Amendments. It is understood and agreed by the Parties that any NCPA Commission approved update to the then current NCPA Annual Budget rates and charges related to Services to be performed under this Agreement is deemed an approved amendment to this Agreement.

12.16.2 Addition or Removal of Equipment. The Parties may, only by a writing signed by the Authorized Representative of NCPA, the Authorized Representative of affected Contracting Member and Contractor, add or remove Equipment listed in Exhibit C that is owned or operated by a Contracting Member, and such changes to Exhibit C shall not constitute an amendment to this Agreement. A copy of any revised Exhibit C will be provided to all Contracting Members within thirty (30) days of such revision.

12.16.3 Authorized Representatives, Addresses for Notice and Operational Contacts. Any Party may, by providing written notice to the other Parties, modify either the identity or address for its Authorized Representative as identified in section 3.2, may amend its address for notice as provided in Section 12.8, or modify the identity or contact information for its Operational Contact as identified in Exhibit D.

12.16.4 Amendments in General. Except as otherwise provided in this Section 12.16, the Parties may amend this Agreement only by a writing signed by all the Parties following each Party's receipt of written resolution/authorization from their governing bodies, which resolutions/authorizations shall be condition precedents to any amendments of this Agreement and shall be attached as Exhibits to this Agreement.

The Parties have executed this Agreement as of the Effective Date.

Northern California Power Agency

City of Alameda

JAMES H. POPE, General Manager

[Name/Title]

Attest:

Attest:

Assistant Secretary of the Commission

[Name/Title]

Approved as to Form:

Approved as to Form:

General Counsel

[Name/Title]

City of Biggs

City of Gridley

[Name/Title]

[Name/Title]

Attest:

Attest:

[Name/Title]

[Name/Title]

Approved as to Form:

Approved as to Form:

[Name/Title]

[Name/Title]

City of Healdsburg

[Name/Title]

Attest:

[Name/Title]

Approved as to Form:

[Name/Title]

City of Lompoc

[Name/Title]

Attest:

[Name/Title]

Approved as to Form:

[Name/Title]

City of Lodi

[Name/Title]

Attest:

[Name/Title]

Approved as to Form:

[Name/Title]

City of Palo Alto

[Name/Title]

Attest:

[Name/Title]

Approved as to Form:

[Name/Title]

Plumas Sierra Rural Electric Cooperative

City of Oakland (Acting through its Board of Commissioners)

[Name/Title]

[Name/Title]

Attest:

Attest:

[Name/Title]

[Name/Title]

Approved as to Form:

Approved as to Form:

[Name/Title]

[Name/Title]

City of Ukiah

[Name/Title]

Attest:

[Name/Title]

Approved as to Form:

[Name/Title]

EXHIBIT A SCOPE OF SERVICES

In accordance with the terms of this Agreement NCPA will manage, on behalf of Contracting Members, the acquisition of Services from Contractor as provided below. Pursuant to the Service Agreement, Contractor will provide the Services listed in Exhibit A herein, in coordination with NCPA. It is intended that this Scope of Services be consistent with, and not more broad than, the scope of services in the Service Agreement.

The Scope of Services provided in accordance with this Agreement are described below, and have been made for the purpose of repair, maintenance, installation, and removal of CAISO metering equipment (including CAISO revenue quality metering), Remote Terminal Unit ("RTU") and/or Programmable Logic Controller ("PLC") equipment, and any Contractor or NCPA provided communications or interface devices ("Equipment") located at or installed on the premises of the NCPA primary sites listed in Exhibit C ("Primary Site"). Equipment located at each Primary Site is listed in Exhibit C. Current transformers ("CTs") and potential transformers ("PTs") located at or installed on Primary Sites are not included as Equipment covered under this Agreement. Pursuant to this Agreement, Contractor agrees to perform the following Services on behalf of NCPA:

1. Support for Failures of Equipment
2. Equipment Maintenance
3. Spare Equipment, Installation and Removal

Further details regarding the Scope of Services provided pursuant to the Service Agreement are listed in Exhibit A of the Service Agreement.

First Response Option

Pursuant to the CAISO tariff, timelines provided for the maintenance and repair of Equipment located at the Primary Sites are short in duration (e.g. CAISO settlement quality metering equipment must be repaired and returned to service within forty-eight (48) hours of the initial failure); therefore timely coordination between Contracting Members, NCPA and Contractor is necessary in order to comply with Contracting Members' obligations. Due to the immediate nature of such requirements, once NCPA, acting on behalf of Contracting Members as Scheduling Coordinator, or Contractor identifies or becomes aware of a meter failure or other issue associated with the Equipment listed in Exhibit C, NCPA will automatically request Services from Contractor, pursuant to the Service Agreement, to remedy the problem identified without consultation with the impacted Contracting Member unless Contracting Member has elected the First Response Option as described below:

- A Contracting Member may elect, by providing to NCPA written notice of such election (the "First Response" Option), under which NCPA will first coordinate maintenance and/or repair of Equipment with Contracting Member prior to requesting Services from Contractor. In response to NCPA's notice of an identified problem with Contracting Member's

Equipment, if Contracting Member confirms that it will use its own resources and staff to remedy the problem identified, NCPA will not request Services from Contractor unless Contracting Member's Operational Contact notifies NCPA's Operational Contact by telephone call that the Contracting Member is unable to remedy the identified problem in a timely manner. Such telephonic notice must be followed by written notice within 24 hours.

Notwithstanding a Contracting Member's election of the First Response Option, if NCPA identifies a problem with Contracting Member's Equipment, and as a result notifies Contracting Member's Operational Contact per telephone call and/or electronic communication of the problem, but after providing an initial notice to Contracting Member NCPA is unable to immediately confirm that Contracting Member's Operation Contact has acknowledged receipt of such notice, NCPA will automatically request Services from Contractor to remedy the problem identified without further consultation with the impacted Contracting Member.

**EXHIBIT B
COMPENSATION SCHEDULE AND HOURLY FEES**

Compensation for Services provided under this Agreement will be based on the Compensation Schedule and Hourly Fees in the Service Agreement and the provisions of Section 6 of this Agreement. This Exhibit B is intended to be consistent with the provisions of Exhibit B of the Service Agreement.

Fixed Meter Fee

CAISO revenue metering service pricing is broken into three categories based on the principal purpose of the meter, and importance in the metering scheme. A "Primary Meter" means the meter that is the settlement quality meter used by CAISO and/or by others for financial settlement. A "Back-Up Meter" (otherwise known as a redundant meter or checking meter) means the meter that is physically measuring the same power as the Primary Meter, but which is not the Primary Meter. An "Auxiliary Meter" means the meter that is intended to measure parasitic or other station loads. The following schedule of CAISO metering rates reflects Contractors rates, measured per meter, per year, for retaining Contractor's Services as stated herein. This schedule shall be deemed amended in the event that Exhibit B of the Service Agreement is amended.

CAISO METER TYPE		
Primary Meter	Back-Up Meter	Auxiliary Meter
\$1,360 Per Meter Per Year	\$740 Per Meter Per Year	\$320 Per Meter Per Year

Service Fee

Service	Rate	Discount Rate
Travel Surcharge for scheduled maintenance and up to one annual emergency site visit (applies only to sites located more than 200 miles from Folsom, California 95630)	Within 200 miles of Folsom: Included 201 – 250 miles: \$400 per trip 251 – 300 miles: \$500 per trip 301 – 500 miles: \$600 per trip	Same
Travel Costs for additional services	Billed at actual cost + 12%	Same
RTU/PLC/ Specialist	\$130 / Hour	Same
CAISO Certified Meter Inspector for add'l services	\$130 / Hour	Same

**EXHIBIT C
LIST OF PRIMARY SITES AND EQUIPMENT**

The Primary Sites and Equipment included within the Scope of Services provided under this Agreement are listed in this Exhibit C. This Exhibit C is intended to be consistent with Exhibit B of the Service Agreement, and shall be deemed amended in the event Exhibit B of the Service Agreement is amended.

Primary Sites	Site Type	Contracting Member	Primary Meter	Back-Up Meter	Auxiliary Meter	ScadaPak RTU	Allen/Bradley PLC	Other PLC
Oakland C	Load	Alameda	1	-	-	1	-	-
Oakland J	Load	Alameda	1	-	-	1	-	-
Biggs 12 KV	Load	Biggs	1	-	-	1	-	-
Biggs 60 KV	Load	Biggs	1	-	-	1	-	-
Gridley	Load	Gridley	1	-	-	1	-	-
Healdsburg	Load	Healdsburg	1	-	-	1	-	-
Lodi Industrial	Load	Lodi	2	-	-	1	-	-
Lodi White Slough	Load	Lodi	1	-	-	1	-	-
Lompoc	Load	Lompoc	2	-	-	1	-	-
Palo Alto	Load	Palo Alto	3	-	-	1	-	-
Palo Alto COBUG	Generation	Palo Alto	1	-	-	1	-	-
Plumas Marble	Load	Plumas	1	-	-	-	-	Portola Scada
Plumas Quincy	Load	Plumas	1	-	-	1	-	-
Oakland Airport	Load	Port	2	-	-	1	-	-
Oakland Marina	Load	Port	2	-	-	1	-	-
Ukiah Babcock	Load	Ukiah	1	-	-	1	-	-
Ukiah Gobbie	Load	Ukiah	-	-	-	1	-	-
Ukiah Lake Mendocino	Generation	Ukiah	1	-	-	-	3 --PLC 10,11,12	-
TOTAL			23	-	-	16	1	1

**EXHIBIT D
CONTRACTING MEMBERS' AND NCPA OPERATIONAL CONTACTS**

The following is a list of each Party's Operational Contacts:

Northern California Power Agency

John Sawicky
Assistant Manager, Information Services
651 Commerce Drive
Roseville, CA 95678
Phone: 916-781-4242
Fax: 916-783-7693
Email: john.sawicky@ncpa.com

Alameda Municipal Power

Operational Contact

City of Biggs

Operational Contact

City of Gridley

Operational Contact

City of Healdsburg

Operational Contact

City of Lodi

Operational Contact

City of Lompoc

Operational Contact

City of Palo Alto

Operational Contact

Plumas Sierra Rural Electric Cooperative

Operational Contact

Port of Oakland

Operational Contact

City of Ukiah

Operational Contact

EXHIBIT E
NCPA SUMMARIES OF LIABILITY INSURANCE

See the attached Summaries of the following insurance coverage:

1. Workers' Compensation & Employer's Liability
2. Automobile Liability & Physical Damage
3. Excess Liability
4. Professional Liability



October 20, 2011

Mr. Roger L. Frith
Mayor
City of Biggs
465 "C" Street
P.O. Box 307
Biggs, CA 95917

651 Commerce Drive
Roseville, CA 95678
(916) 781-3636
www.ncpa.com

Subject: Metering Equipment Transfer Letter of Agreement and Bill of Sale

Dear Mr. Frith:

This Metering Equipment Transfer Letter of Agreement ("Agreement") is made by and between the NORTHERN CALIFORNIA POWER AGENCY ("NCPA"), a joint public powers agency with offices located at 651 Commerce Drive, Roseville, California and City of Biggs, a municipal corporation, with offices located at 465 "C" Street, Biggs, California ("Contracting Member") (together sometimes referred to herein individually as "Party" and collectively as "Parties") as of the date Contracting Member signs this Agreement (the "Effective Date").

This Agreement sets forth the terms and conditions under which NCPA will transfer title of the meters and metering equipment listed in Exhibit A herein to Contracting Member. In accordance with Letter of Agreement 08-SNR-01177 made by and between NCPA and the Western Area Power Administration ("Western") on December 4, 2006, Western has transferred full title of the meters and metering equipment listed in Exhibit A to NCPA, and in exchange NCPA has provided to Western new meters of equivalent value. The meters and metering equipment transferred from Western to NCPA serves the loads of Contracting Member. Pursuant to this Agreement NCPA now desires to transfer full title of the meters and metering equipment to Contracting Member.

Therefore, by execution of this Agreement NCPA and Contracting Member agree to the following:

1. On the Effective Date of this Agreement NCPA hereby transfers full right, title and interest in the meters and metering equipment listed in

Exhibit A attached hereto, to Contracting Member, and Contracting Member accepts and takes possession and all right, title and interest in the meters and metering equipment in their existing condition on the Effective Date.

2. NCPA transfers the meters and metering equipment to Contracting Member in their "AS IS" and "WHERE IS" condition. NCPA does not provide any warranty of any kind what-so-ever, including, but not limited to, the warranty of title, fitness or merchantability, whether expressed or implied.
3. In consideration of the transfer of title and possession of the meters and metering equipment from NCPA to Contracting Member, Contracting Member has reimbursed NCPA by payment of Fourteen Thousand Eight Hundred Forty Four dollars (\$14,844) from Contracting Member to NCPA (payment from Contracting Member to NCPA was made as part of the 2009 NCPA annual settlement process pursuant to Resolution 08-103 of the NCPA Commission). Those funds have been used by NCPA to purchase replacement meters that were delivered to Western in accordance with Letter of Agreement 08-SNR-01177; therefore Contracting Member's obligation to compensate NCPA for the meters and metering equipment transferred under this Agreement has been satisfied and is paid in full.

Indemnification of NCPA. Contracting Member hereby agrees, at its sole cost and expense, to defend, indemnify and hold harmless NCPA and all associated, affiliated, allied, member and subsidiary entities of NCPA, now existing or hereinafter created, and their respective officers, boards, commissions, employees, agents, attorneys, and contractors (hereinafter referred to as "Indemnitees"), from and against any and all liability, obligation, damages, penalties, claims, liens, costs, charges, losses and expenses (including without limitation, reasonable fees and expenses of attorneys, expert witnesses and consultants), which may be imposed upon, incurred by or be asserted against the Indemnitees' arising out of this Agreement.

Limitation of NCPA's Liability. Contracting Member hereby agrees that NCPA shall not at any time be liable for any injury or damage occurring to Contracting Member or any other person or property from any cause whatsoever arising out of this Agreement.

Term. This Agreement shall become effective upon its execution by Contracting Member and shall remain in effect until the date the obligations of NCPA and Contracting Member under this Agreement are fully executed.

Successors and Assigns. The provisions of this Agreement shall inure to the benefit of and shall apply to and bind the successors and assigns of the Parties.

Integration; Incorporation. This Agreement, including Exhibit A, attached hereto, represents the entire and integrated agreement between Contracting Member and NCPA relating to the subject matter of this Agreement, and it supersedes all prior negotiations, representations, or agreements, either written or oral. Exhibit A attached hereto is incorporated by reference herein.

Exhibit A – List of Contracting Member Meters and Metering Equipment

Other Agreements. This Agreement is not intended to modify or change any other agreement between any of the Parties, individually or collectively.

Authority of Signatory. The individuals signing this Agreement represent that they are duly authorized to execute this Agreement on behalf of the Contracting Member.

If you are in agreement with the terms and conditions set forth in this Agreement, please have the appropriate authorized representative sign, attest and date both originals and return one fully executed agreement to NCPA. Send such to the attention of David Dockham, Assistant General Manager – Power Management.

If you have any questions regarding this Agreement, please contact Mr. Tony Zimmer at (916) 781-4229.

Sincerely,



James H. Pope
General Manager
Northern California Power Agency
651 Commerce Drive
Roseville, CA 95678

CONTRACTING MEMBER

Approved By: _____

Name: _____

Title: _____

Date: _____

Attest: _____

Name: _____

Title: _____

Cc:

Mr. David Dockham
Assistant General Manager, Power Management
Northern California Power Agency
651 Commerce Drive
Roseville, CA 95678

Michael F. Dean
General Counsel
Northern California Power Agency
Meyers Nave
555 Capitol Mall, Suite 1200
Sacramento, CA 95814

EXHIBIT A

List of Contracting Member Meters and Metering Equipment

The following is the list of meters and metering equipment to be transferred from NCPA to Contracting Member in accordance with this Agreement.

Member	Location	Site ID No.	Meter Mfg	Meter Type	Meter Serial No.	Instrument Transformer Mfg	Instrument Transformer Mfg	Current Transformer Mfg	Potential Transformer Mfg	Transformer Type	Transformer Voltage (kV)	Transformer Serial Nos.	Current Transformer Serial Nos.	Potential Transformer Serial Nos.	Disconnect Switch	Date in Service	
City of Biggs	City of Biggs 60-kV	58 390 01	Siemens	QUAD 4+	00 038 832	ABB	ABB	ABB	ABB	AMU 350	60	98-1005				28-Oct-97	
							ABB	ABB	ABB	AMU 350	60	98-1006				28-Oct-97	
							ABB	ABB	ABB	AMU 350	60	98-1007				28-Oct-97	
City of Biggs	City of Biggs 12-kV Emergency Feed	58 390 02	Siemens	QUAD 4+	00 038 829	GE	GE	GE	GE	JKW-5	15		6117682			25-Mar-99	
							GE	GE	GE	JKW-5	15		6117683			25-Mar-99	
							ABB	ABB	ABB	VOZ11	15		6117686	7525A89G051			25-Mar-99
							ABB	ABB	ABB	VOZ11	15			7525A89G052			25-Mar-99
							ABB	ABB	ABB	VOZ11	15			7525A89G053		7.2-kV	25-Mar-99
																1-May-85	



City of Biggs

Agenda Item Staff Report for the Regular City Council Meeting: November 21, 2011 6:00PM

DATE: November 7, 2011
TO: Honorable Mayor and Members of the City Council
FROM: Pete Carr, City Administrator
SUBJECT: Updated Salary Schedule (Consent/Action)

Council is asked to approve an update to the City wage & salary schedule reflecting the 25¢/hr increase approved October 17, 2011.

Background

Council on October 17, 2011 approved application of 25¢/hr to each employee's hourly compensation and to the employee salary schedule, effective October 1, 2011, administrator excepted. This follows the elimination of CPI-based COLA (consumer price index-based annual cost-of-living) adjustments negotiated with Laborers Local 185 in 2010 which included an agreed \$1.50/hr payable over three years at \$1.00, \$.25 and \$.25 respectively.

The salary schedule is adjusted to reflect this increase and to establish that all employee compensation is within the limits of the published schedule. Annual adjustments which can be earned by demonstrated performance are limited to the "Top" scale indicated for each position.

One Attachment:

Salary Schedule November 21, 2011 effective October 1, 2011

Recommendation:

Approve schedule as updated and presented.

Fiscal Impact of Recommendation:

None; annual budget for fiscal year 2011-2012 anticipated this adjustment.

CITY OF BIGGS – CLASSIFICATION PLAN – SALARY SCHEDULE

Approved by City Council November 21, 2011
 Effective October 1, 2011
 Reflects \$0.25/hr increase approved October 17, 2011 for all employees except administrator

	Entry			Top	
	Month Hour	Annual		Month Hour	Annual
City Administrator	6,365 36.72	76,380		7,956 45.90	95,472
Public Works Superintendent	4,191 24.18	50,295		5,259 30.34	63,107
Public Works Supervisor	3,815 22.01	45,781		4,758 27.45	57,096
Planning Assistant/ Code Enforcement	2,635 15.20	31,616		3,283 18.94	39,396
Finance Director	3,472 20.03	41,663		4,328 24.97	51,938
Accounting Technician	2,905 16.76	34,861		3,621 20.89	43,452
Senior Accounting Clerk	2,645 15.26	31,741		3,295 19.01	39,554
Accounting Clerk	2,408 13.89	28,891		2,999 17.30	35,984
Administrative Assistant	2,193 12.65	26,312		2,732 15.76	32,781
Chief Plant Operator Level 3 License	3,533 20.38	42,390		4,384 25.29	52,603
Treatment Plant Operator Level 2 License	3,078 17.76	36,941		3,777 21.79	45,323
Treatment Plant Operator Level 1 License	2,803 16.17	33,634		3,435 19.82	41,226
City Crew III Water System Operator	2,551 14.72	30,618		3,129 18.05	37,544
City Crew II Equipment Operator	2,323 13.40	27,872		2,848 16.43	34,175
City Crew I General Maintenance	2,144 12.37	25,730		2,593 14.96	31,117

*monthly salary is the driver
 hourly is monthly divided by 173.334
 annual is monthly x 12*

City Clerk is \$150/mo stipend

Note:

No stated steps, 25% entry to top, performance based @ 1-5%/yr
 Evaluation 1 or 2 = 1%; 3=3%; 4=4%; 5=5%
 Generally 10% graduation between positions in a career path.

CITY OF BIGGS – CLASSIFICATION PLAN – SALARY SCHEDULE

CERTIFICATE RECOGNITION

Objective:

Provide employee training incentive and recognize value to city in employees possessing skill certificates and special licenses – within city budget limits.

Principles:

1. Salary schedule recognizes 3 levels of WWT operator, 1 level of water operator.
2. Where position level already requires and recognizes certificate requirement & attainment, no additional recognition is necessary.
3. Biggs recognize certificates and licenses where they are of significant value to city but are not already otherwise recognized by position.
4. City will continue to pay costs of employee training, materials, testing, certificates and special licenses.

D1	No stipend
T1 or D2	\$30/mo
T2 + D2	\$75/mo
Water Backflow Prevention	No stipend
T3, D3	No stipend
Level 1 WWT	\$75/mo
Level 2 WWT	\$95/mo (includes WWT1)
Level 3 WWT	No stipend at this time
Class B license	\$25/mo if Crew 1, required for Crew 2 and above.
Bi-lingual skill	No stipend

Public Works employees in Crew II and above who do not currently have Class B license are allowed six months to obtain the license; after which failure to obtain and maintain the Class B license may be considered a performance issue. City will pay cost of training, testing and licensing.

Should the city determine the need for any license no longer exists, certification stipend would cease.



City of Biggs

Agenda Item Staff Report for the Regular City Council Meeting: November 21, 2011 6:00PM

DATE: November 14, 2011
TO: Honorable Mayor and Members of the City Council
FROM: Pete Carr, City Administrator
SUBJECT: Health Reimbursement Account (Consent/Action)

Council is asked to adopt a resolution implementing previously approved establishment of a health reimbursement account (HRA) to assist employees in migrating to a health insurance option which is expected to reduce costs for the City and the employees.

Background

A priority project this year has been identification of lower-cost medical insurance for employees. After much data acquisition and analysis, this is being achieved for non-bargaining unit employees.

Non-bargaining unit employees enrolled in PPO plans – at much lower premiums but higher out-of-pocket costs than the HMO plan – for 2012, saving the city and themselves premium expense. The City agreed to establish and fund an HRA to cover the employee's potential deductibles and out-of-pocket costs above that which would have been experienced with the HMO plan.

Bargaining unit employees will continue for at least the year 2012 with their currently negotiated 85/15% share of premium cost for any of the three plans the City offers through PEMCHA (Public Employees Medical and Hospital Care Act, the medical division of CalPERS).

By this resolution, the City will establish the HRA, and start its funding at \$24,000 per year. Funds are held in trust in a dividend-earning account (currently 3% annually) for payment of health-related expenses. A small portion of the funds will be set aside for cash flow administration. A one-time set-up fee of \$2000 is separate, but monthly fees for \$7.50 (\$6 for admin and \$1.50 for the debit-type transaction card) will be deducted from the HRA account.

City will work closely with the plan administrator and report account balances at least quarterly. The city may wish to re-infuse the account at the end of 2012 or at some

point during the year, depending on account activity and investment returns relative to other city investments.

Attachments (2):

Resolution 2011-23

Trust Adoption Agreement (additional plan documentation forwarded to Council previously by electronic communication, available at City Hall for public review)

Recommendation:

Approve establishment of HRA as proposed, direct Mayor to execute plan agreement documents, City Administrator to implement and administer the HRA and prepare a warrant for \$24,000 for Mayor signature to provide initial investment into the trust account, and further direct the Administrator to report at least quarterly to Council on account and plan status.

Fiscal Impact of Recommendation:

Unknown; HRA funds will be invested in a City-owned trust; City budget savings will be up to \$3856 per participating employee per year in premiums, offset to an unknown but limited extent by health care experience of participating employees starting in January 2012.

RESOLUTION NO. 2011-23

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BIGGS
ESTABLISHING A HEALTH REIMBURSEMENT ARRANGEMENT
WITH ITS PLAN AGREEMENT AND INITIAL FUNDING**

WHEREAS, the City of Biggs provides customary medical and other health insurance benefits as partial compensation for the full-time employees of the City; and

WHEREAS, provision and administration of said benefits are governed by the City Personnel Manual and the Memorandum of Understanding with Laborers Local 185 as negotiated and amended from time to time; and

WHEREAS, non-bargaining unit employees have agreed to accept the City's offer to establish a health reimbursement account (HRA) with the intent and objective to cover and reimburse deductible and out-of-pocket expenses of employees who enroll in a preferred provider organization (PPO) network for calendar years 2012 and 2013, to the extent that such expenses are incurred and are above that which would have been experienced if enrolled in a Health Maintenance Organization (HMO) plan, and some or all said employees have enrolled in a PPO plan at least for 2012; and

WHEREAS, MidAmerica Administrative and Retirement Solutions, Inc, has been selected by the City as its Trustee and agent for the administration of the City HRA, with American United Life as Custodian of the Trust Assets; and

WHEREAS, Twenty-four thousand dollars (\$24,000.00) is designated for initial investment into the Trust account to be utilized for the HRA and its administrative fees, as an interest-bearing investment, with all assets on account to be and remain the property of the city of Biggs per the Plan agreement;

NOW, THEREFORE BE IT RESOLVED, that the City Council of the City of Biggs:

1. Establishes, adopts and approves the Health Reimbursement Arrangement as presented in attached documents.
2. Provides authority to the Mayor of Biggs to execute plan agreement documents and to the City Administrator of Biggs to implement and administer the HRA.
3. Designates \$24,000.000 of City funds to be invested into the American United Life plan with MidAmerica Administrative and retirement Solutions, Inc. as Trust Administrator and agent.

I HEREBY CERTIFY that the foregoing **RESOLUTION** was duly introduced, passed and adopted at a regular meeting of the City Council of the City of Biggs, held on the 21st of November 2011, by the following vote:

AYES: COUNCILMEMBER _____

NOES: COUNCILMEMBER _____

ABSENT: COUNCILMEMBER _____

ABSTAIN: COUNCILMEMBER _____

ATTEST: APPROVED:

Roben Dewsnup
CITY CLERK

Roger L. Frith
MAYOR

Health Reimbursement Arrangement Plan Highlights

for

City of Biggs

Effective Date: The effective date of the Plan is January 1, 2012.

Eligibility: Participation in this Plan is mandatory for all Employees of the class or classes as determined by the Employer:

- All City of Biggs Employees

Contribution Types: All funds for the Plan shall come exclusively from the Employer and shall constitute a specified dollar amount and/or percentage of Employees' retirement pay as the Employer shall from time to time determine.

Contribution Frequency: Annually

Reimbursements: Participants may request reimbursements from their accounts as soon as the accounts are funded, but only for out-of-pocket and deductible expenses incurred subsequent to becoming eligible to participate in the Plan. Participants must exhaust any funds available in a flexible spending arrangement ("FSA") prior to receiving reimbursement from this Plan.

Reports: Each quarter, Plan Participants will receive statements of account activity.

Agent: _____

Contact: To access account information, request forms, or for plan related questions, please contact MidAmerica toll-free at (800) 430-7999 or visit our website at www.midamerica.biz.

Please mail all forms to: MidAmerica Administrative & Retirement Solutions, Inc., Attn: HRA ADMIN,
211 E. Main Street, Suite 100, Lakeland, FL 33801.

Please refer to the Plan Document for more information on the Plan. In the event of a discrepancy, the Plan Document will prevail.

Keenan
Financial Services


AUL
a ONEAMERICA
financial partner


MidAmerica
Administrative & Retirement Solutions, Inc.

Employer Initials _____

Health Reimbursement Arrangement ADOPTION AGREEMENT for City of Biggs

Employer Address: P.O.Box 307
Biggs CA 95917

Employer Telephone Number: 5308685493
Employer Identification Number: 94-6000300



The undersigned Employer, by executing this Adoption Agreement, hereby adopts and implements the Health Reimbursement Arrangement (hereinafter referred to as the Plan) and agrees to abide by the terms of the Plan. With this Adoption Agreement, and by its authorized signature below, the Employer hereby makes the following designations.

Effective Date. The original Effective Date of the Plan is January 1, 2012.

Plan Year. The Plan Year ends on December 31, 2012.

Eligible Classes. The class or classes of Employees covered by this Plan are: *(See attached Class Specifications.)*

Class A: All Non-Bargaining Unit City of Biggs E Class B: N/A
Class C: N/A Class D: N/A
Class E: N/A Class F: N/A

Designation of Plan Administrator. The Employer hereby designates the following initial Plan Administrator: MidAmerica Administrative & Retirement Solutions, Inc.

Designation of Individuals to Have Access to PHI. The following employees, classes of employees, or other persons shall be given access to the PHI to be disclosed:

City Administrator Payroll Administrator

The Employer hereby agrees to the provisions of the Plan and has executed this Adoption Agreement on this 22nd day of November, 2011.

Name of Employer: City of Biggs
Signature: _____
Print Name: _____
Title: _____
Date: _____

Name of Employer CONTACT (print): Roben Dewsnap
Title: Payroll Administrator
E-Mail: biggsap@biggs-ca.gov
Telephone: 5308680102 Ext. _____
Fax: 5308685239

IRS Circular 230 Notice: We are required to advise you no person or entity may use any tax advice in this communication or any attachment to (i) avoid any penalty under federal tax law or (ii) promote, market or recommend any purchase, investment or other action.

Employer Representations

- Employees are not permitted to make any election or choice between cash, the HRA, and/or the Special Pay Plan, or any other tax deferred program.
- The allocation to the HRA will be expressed in a percent of compensation or dollar amount.
- The Employer has discretion in determining classes of Employees eligible to participate in the HRA. Once determined, Employees in the class shall be treated uniformly and be provided a uniform allocation to the HRA. Such class shall remain in effect for the entire fiscal year for all affected employees in such year and for all future contributions to such class. Each year, the Employer may reevaluate allocations and classes for new employees only, taking into consideration the factors discussed above.
- The Employer will not provide any information or forms or enter into any contracts inconsistent with the preceding.
- The Employer understands that whether a contribution to the HRA is non-elective for tax purposes is a facts and circumstances determination, and the Employer is responsible for whether the contribution is truly non-elective or not. The Employer understands that MidAmerica Administrative & Retirement Solutions, Inc. and its agents and employees are not tax or legal advisors. They may provide general information regarding the tax treatment of HRAs, but the Employer should consult with its own tax or legal advisors as to how tax and other rules may apply to its own facts and circumstances.

Effective Date. January 1, 2012 **Employer Initials:** _____

Eligible Class A: All Non-Bargaining Unit City of Biggs Employees

Defined as: Per City Personnel Manual. Funds invested in the plan remain City assets. Unused assets will forfeit back to the City at the end of each plan year.

Employment Status: Upon the initial contribution to the Plan, Participant employment status shall be:

Active

Contribution Types. All funds for the Plan shall come exclusively from the Employer and shall be determined in accordance with the following formula:

Dollar Amount Percentage of Pay Other _____

Contribution Frequency.

One Time Annually Quarterly
 Semi-Annually Monthly Other _____

Reimbursements. Reimbursements shall be for:

All eligible 213(d) Medical Expenses Premium Only Medical Expenses
 Limited Purpose – Deductible and out-of-pocket medical expenses (Highly Compensated Individuals may receive only premium reimbursements.)
 Post Deductible

Reimbursement Eligibility. A Participant shall be eligible for reimbursement (vested balance only) of medical expenses at the time selected below, but in no event before expenses exceeding the dollar amount of any flexible spending account ("FSA") in which he shall also participate have been paid.

Immediate Upon becoming 100% vested
 Upon Retirement or Separation of Service

Administrative Fee Schedule. Administrative Fees are paid by the Employer.

\$6.00 per active Employee per month is netted from the Trust.

Debit Card Fees. A debit card fee of \$1.50 per participant per month shall be:

Paid by Employer Paid by Participant Other: Netted from Trust

Investment Selection. Investment Provider: American United Life

Type of Investment:

Fixed annuity only I2

Variable annuities [select one of the following] _____

Employer directed

Participant directed; Restrictions are:

None

100% vested

At Retirement

Account balance in excess of \$ _____

Other _____

Funds limited (see attachment)

Effective Date. January 1, 2012

Employer Initials: _____

Health Reimbursement Arrangement Section 115 Employee Benefit Trust

ADOPTION AGREEMENT

for

City of Biggs

This Adoption Agreement is executed on this, the 22nd day of November, 2011, by and between City of Biggs, the Grantor, and City of Biggs as the Trustee, and sets forth the designations required by the Trust.

1. Trust Administrator: **MidAmerica Administrative and Retirement Solutions, Inc.** is hereby designated as the Trust Administrator.
2. Custodian: **American United Life** is hereby designated as Custodian of the Trust assets.

By:

Grantor & Trustee*: City of Biggs

[* The Trustee may be a governmental employer if permitted under applicable local authority. This Adoption Agreement should be executed below by a duly authorized representative on behalf of the governmental employer. The employer representative is not the trustee and is merely signing for the employer, the trustee.]

Signature: _____

Print Name: _____

Title: _____

Date: _____

IRS Circular 230 Notice: We are required to advise you no person or entity may use any tax advice in this communication or any attachment to (i) avoid any penalty under federal tax law or (ii) promote, market or recommend any purchase, investment or other action.

Health Reimbursement Arrangement Trust
for
City of Biggs



MidAmerica
Administrative & Retirement Solutions, Inc.

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EMPLOYEE BENEFIT TRUST

THIS TRUST AGREEMENT is made this 22nd day of November, 2011 by and between City of Biggs (the "Employer") and City of Biggs, as Trustee ("Trustee").

WITNESSETH:

WHEREAS, the Employer has adopted Benefit Plans and Programs for Employees and Former Employees of the Employer, and

WHEREAS, the Employer desires to establish a Trust to secure and hold funds that will be contributed by the Employer and held for the benefit of the employees and their eligible dependents under and in accordance with the Employer's Employee Benefit Plans and Programs, and

WHEREAS, the Employer desires the Trustee to hold and administer the Trust, and the Trustee is willing to hold and administer such Trust, pursuant to the terms of this Agreement, and

WHEREAS, the Employer, by action of its duly authorized officer or governing body, has designated the Trustees to serve as the trustees for the Trust,

NOW THEREFORE, in consideration of the mutual promises and covenants contained herein, the parties agree as follows:

1. **NAME AND PURPOSE.** The name of this Trust, and the Trust Account established pursuant to this Trust, shall be the City of Biggs Employee Benefit Trust Account. The exclusive purpose of this Trust is to provide a source of funds for the Employer's employee welfare benefit obligations.
2. **COMPLIANCE WITH LAWS.** This Trust is to be interpreted in accordance with the laws of the State in which the Employer is located.
3. **ACCEPTANCE.** The Trustee accepts the Trust and agrees to perform the obligations imposed on it by the terms and conditions set forth in this Trust document.
4. **RECEIPT OF CONTRIBUTIONS.** The Trustee is accountable to the Employer for the funds contributed to it by the Employer. The Trustee is not obliged to collect any contributions from the Employer.
5. **BENEFICIARIES.** The Trust assets, including any earnings accruing on them, shall be held solely for the purpose of providing funding for payment of the Employer's employee welfare benefit obligations and for payment of Trust expenses as provided for herein. It shall be impossible at any time for any part of the Trust to be used for or diverted to purposes other than to provide the benefits identified and contemplated under the Plans referenced herein for the exclusive benefit of covered employees and their dependents. No portion of the principal or income of this Trust shall revert to the Employer.

6. INVESTMENT POWERS. Subject to applicable State law and its fiduciary responsibility, the Trustee has full discretion and authority with regard to the investment of the Trust assets, except with respect to an asset under the control or direction of a properly appointed investment manager, or with respect to an asset subject to Employer direction of investment.
7. ADMINISTRATION. The administration of the Trust shall be provided by the Trust Administrator designated by the Employer in the Adoption Agreement for this Trust. By its agreement to serve as Trustee, the Trustee accepts the Employer's designation of the Trust Administrator. The Employer may designate another Trust Administrator at any time, with proper notice to the Trustee and subject to the Trustee's approval. The Trust Administrator shall be responsible for all administrative aspects of the Trust, including the filing of all reports and tax returns, if any, required of the Trust.
8. CUSTODIAN. The Employer shall appoint a Custodian of the Trust Assets. The Custodian shall be designated and appointed in the Adoption Agreement. The Custodian shall invest the Trust assets as directed by the Trustee. The Custodian shall not have any discretion as to the investment of the Trust assets and shall at all times follow the direction and instruction of the Trustee. So long as the Custodian invests the Trust assets pursuant to the instructions of the Trustee, the Custodian shall not have any liability for following the Trustee's instructions.
9. RECORDS AND STATEMENTS. The records of the Trustee, Custodian, and Trust Administrator, pertaining to the Trust, must be open to the inspection of the Employer at all reasonable times and may be audited from time to time by any person or persons as the Employer may specify in writing.
10. FEES AND EXPENSES FROM FUND. The Trustee and Trust Administrator may receive reasonable annual compensation as may be agreed upon from time to time between the Employer and the Trustee and the Trust Administrator. The Trustee will pay, from the Trust Fund, all fees and expenses reasonably incurred by the Trust to the extent such fees and expenses are for the ordinary and necessary administration and operation of the Trust unless the Employer pays such fees and expenses directly. The above notwithstanding, the Trustee shall not be entitled to compensation if the Trustee is also the Employer.
11. PARTIES TO LITIGATION. Any final judgment entered in any court proceeding involving the Trust will be binding on the Employer, Trustee, Trust Administrator, and the Custodian.
12. PROFESSIONAL AGENTS. The Trustee may employ and pay from the Trust Fund reasonable compensation to, agents, attorneys, accountants and other persons, to advise the Trustee as in its opinion may be necessary. The Trustee may delegate to any agent, attorney, accountant, or other person selected by it, any non-Trustee power or duty vested in it by the Trust, and the Trustee may act or refrain from acting on the advice or opinion of any agent, attorney, accountant or other person so selected.
13. DISTRIBUTION OF CASH OR PROPERTY. The Trustee may make distributions from the Trust in cash or property, or partly in each, at its fair market value as determined by the Trustee. No distributions shall be made from this Trust other than for the payment of benefits identified under the Plans, except that payments of reasonable expenses for the administration of the Trust shall be permitted in accordance with paragraph 10 above.
14. DISTRIBUTION DIRECTIONS. If no one claims a payment or distribution made from the Trust, the Trustee shall return the payment to the corpus of the Trust.

15. THIRD PARTY / MULTIPLE TRUSTEES. No person dealing with the Trustee is obligated to see to the proper application of any money paid or property delivered to the Trustee, or to inquire whether the Trustee has acted pursuant to the terms of this Trust. Each person dealing with the Trustee may act upon any notice, request, or representation in writing by the Trustee, or by the Trustee's duly authorized agent, and is not liable to any person in so acting. If two persons act as Trustee and reach a deadlock, the Grantor shall appoint a third person as temporary Trustee to cast a vote in order to break the deadlock. A decision of the majority of the Trustees shall control with respect to any decision regarding the administration or investment of the Trust Fund or of any portion of the Trust Fund with respect to which such persons act as Trustees. However, the signature of only one Trustee is necessary to effect any transaction on behalf of the Trust.
16. RESIGNATION. The Trustee may resign its position at any time by giving 30 days written notice in advance to the Employer. If the Employer fails to appoint a successor Trustee within 60 days of its receipt of the Trustee's written notice of resignation, the Trustee will treat the Employer as having appointed itself as Trustee and as having filed its acceptance of appointment with the former Trustee.
17. REMOVAL. The Employer, by giving 30 days' written notice in advance to the Trustee, may remove any Trustee. In the event of the resignation or removal of a sole Trustee, the Employer must appoint a successor Trustee if it intends to continue the Trust. If multiple persons hold the position of Trustee and one or more, but less than all, are removed as Trustee, in the event of the removal of one such person, the remaining person or persons shall act as Trustee.
18. INTERIM DUTIES AND SUCCESSOR TRUSTEE. Each successor Trustee succeeds to the title to the Trust vested in his predecessor by accepting in writing his appointment as successor Trustee and by filing the acceptance with the former Trustee and the Employer without the signing or filing of any further statement. The resigning or removed Trustee, upon receipt of acceptance in writing of the Trust by the successor Trustee, must execute all documents and do all acts necessary to vest the title of record in any successor Trustee. Each successor Trustee has and enjoys all of the powers, discretionary and ministerial, conferred under this Agreement upon his predecessor. A successor Trustee is not personally liable for any act or failure to act of any predecessor Trustee, except as required under applicable law. With the approval of the Employer, a successor Trustee, with respect to the Plan, may accept the account rendered and the property delivered to it by a predecessor Trustee without incurring any liability or responsibility for so doing.
19. VALUATION OF TRUST. The Trustee must value the Trust Fund as of each Accounting Date to determine the fair market value of the Trust. The Trustee also must value the Trust Fund on such other valuation dates as directed in writing by the Employer. Accounting Date shall mean the last day of the Employer's fiscal year.
20. RECORDS AND REPORTS. The Trustee and the Trust Administrator shall create and maintain records that are appropriate to the administration of the Trust.
21. TERMINATION OF TRUST. This Trust shall terminate when all Trust funds have been expended for the fulfillment of the Employer's welfare benefit obligations to its employees, and the Employer notifies the Trustee and all other interested parties that the Employer will not be providing any additional funds to the Trust.
22. IRREVOCABLE. This Trust is irrevocable by the Employer.

23. SUCCESSORS and ASSIGNS. This Trust Agreement and the rights and duties hereunder shall not be assignable by either of the parties hereto. The assets held under this Trust shall not be subject to the rights of the creditors of the Employer, the Trustees, or the Custodian, and shall be exempt from execution, attachment, prior assignment, or any other judicial relief or order for the benefit of creditors or other third persons.
24. AMENDMENTS. This Trust Agreement may be amended from time to time by an instrument in writing executed by duly authorized officers of the Employer and Trustee.
25. NO THIRD PARTY BENEFIT. This Agreement is intended for the exclusive benefit of the parties to this Agreement and nothing contained in this Agreement shall be construed as creating any rights or benefits in or to any other party.
26. INCORPORATION OF ADOPTION AGREEMENT. The Trust Adoption Agreement, any Appendix thereto, and any future modifications, are incorporated in this Trust Document and made a part thereof as though specifically set forth herein.
27. EMPLOYER REPRESENTATION. The Employer represents and warrants that:
- (A) it is a State or political subdivision of a State or agency or instrumentality of the foregoing within the meaning of Code Section 414(d);
 - (B) it has authority under State law to enter into, maintain, and establish this Trust and the Plan(s).
 - (C) the funding of the Trust is from employer contributions or contributions of employees of the Employer;
 - (D) the Trust is exempt from taxes under Code Section 115; and
 - (E) the Trust and Plan is a governmental plan as defined in Code Section 414(d), established for the exclusive benefit of the employees of the Employer.

IN WITNESS WHEREOF, the parties hereto have caused this Trust Agreement to be SIGNED, SEALED, and DELIVERED on 22nd day of November, 2011.

By:

Employer Name: City of Biggs
Signature: _____
Print Name: _____
Title: _____
Date: _____

and

Trustee: City of Biggs
Signature: _____
Print Name: _____
Title: _____
Date: _____

IRS Circular 230 Notice: We are required to advise you no person or entity may use any tax advice in this communication or any attachment to (i) avoid any penalty under federal tax law or (ii) promote, market or recommend any purchase, investment or other action.

Health Reimbursement Arrangement

APPOINTMENT OF AGENT

for

City of Biggs

The undersigned Employer, City of Biggs, hereby appoints MidAmerica Administrative & Retirement Solutions, Inc. to provide all administrative services on behalf of the Plan, including processing Participant claims for health care costs reimbursements.

The agent shall at all times adhere to the terms and conditions of the Employer's Health Reimbursement Arrangement.

This Appointment of the Agent may be cancelled by the Employer at any time upon written notice to MidAmerica. In the event of such termination, MidAmerica shall continue to process claims that are in process, but shall otherwise follow the instructions of the Employer with respect to the transition of the processing.

By the signature of its authorized agent below, MidAmerica Administrative & Retirement Solutions, Inc. hereby agrees to provide all administrative services called for under the herein referenced Plan for the Employer and charge only those fees permitted under the Plan.

Name of Employer: City of Biggs
Signature: _____
Print Name: _____
Title: _____
Date: _____

MidAmerica Administrative & Retirement Solutions, Inc.

Signature: _____
Print Name: J. Wesley Compton, CPA, CEBS
Title: President
Date: _____

MidAmerica Administrative & Retirement Solutions, Inc.

ADMINISTRATIVE SERVICE AGREEMENT

for

City of Biggs

THIS AGREEMENT, made this 22nd day of November, 2011, by and between City of Biggs, hereinafter referred to as "the Employer" and **MidAmerica Administrative & Retirement Solutions, Inc.**, hereinafter referred to as "MidAmerica," specifies the services to be provided by MidAmerica for the Employer in the ongoing administration of the Employer's Health Reimbursement Arrangement, hereinafter referred to as "the Plan," under IRS Notice 2002-45 and Revenue Ruling 2002-41, and the responsibilities of the Employer.

NOW, THEREFORE, for good and valuable consideration, the parties agree that MidAmerica will perform the following services on behalf of the Employer pursuant to the terms of this Agreement, and the Employer shall perform its responsibilities and make payments as described herein.

ARTICLE I. INTRODUCTION

1.1 Effective Date and Term

The effective date of this Agreement is January 1, 2012 ("Effective Date").

1.2 Scope of Undertaking

MidAmerica shall be an independent contractor with respect to the services it performs hereunder and shall not for any purpose be deemed an employee of the Employer nor shall MidAmerica and the Employer be deemed partners or engaged in a joint venture. MidAmerica does not assume any responsibility for any act or omission or breach of duty by the Employer, nor is MidAmerica in any way to be deemed an insurer, underwriter or guarantor with respect to any benefits payable under the Plan. Nothing in this Agreement shall be deemed to impose upon MidAmerica any obligation to any employee of the Employer or any person who is participating in the Plan. MidAmerica shall not be a fiduciary with respect to the Plan.

1.3 Definitions

"**Agreement**" means this Administrative Service Agreement, including all Exhibits hereto.

"**Card Transaction**" means a transaction by a Participant making use of the Evolution Benefits Card.

"**Contribution Billing Reports**" has the meaning as described in Section 2.3.

"**Debit Card Claims**" means the claims received via debit or stored-value card transaction.

“**Deposit Account**” means the deposit account established by Evolution Benefits from the Employer that is used to hold funds necessary to meet the obligations due to Plan Participants who enroll in the debit card program.

“**Distribution Amounts**” means the amounts reported to the Employer as the claim totals to be paid.

“**Employer**” has the meaning given in the Recitals.

“**Effective Date**” has the meaning given in Section 1.1.

“**HIPAA**” means the Health Insurance Portability and Accountability Act of 1996, as amended.

“**Manual Claims**” means the claims submitted via fax or mail.

“**Minimum Balance**” means the balance that the Employer will deposit and maintain in the Deposit Account and which will be a dollar amount of no less than the projected plan year contribution (including short plan years), considering sub accounts, for all Participants divided by 365 times 5, or such amount as may be determined by Evolution Benefits from time to time. In order to maintain the minimum funding requirements, daily ACH transactions will be performed.

“**Evolution Benefits**” means Evolution Benefits Card Services, the Payment Card provider.

“**Evolution Benefits Card**” means the Payment Card to be issued by Evolution Benefits and used by Participants in the Plan.

“**Payment Card**” means a debit card or a stored-value card.

“**Plan**” means the Employer’s Health Reimbursement Arrangement.

ARTICLE II. EMPLOYER RESPONSIBILITIES

2.1 Sole Responsibilities

The Employer gives MidAmerica the authority to act on behalf of the Employer in connection with the Plan but only as expressly stated in this Agreement, the Plan Document or as mutually agreed in writing by the Employer and MidAmerica.

2.2 Funding

The Employer shall promptly fund an account maintained for the payment of Plan benefits as described in Article IV and shall maintain that account as required by the terms of this agreement.

2.3 Information to MidAmerica

The Employer shall furnish the information requested by MidAmerica as determined necessary by MidAmerica for it to perform its functions hereunder, including information concerning the Plan and the eligibility of individuals to participate in and receive Plan benefits (“Contribution Billing Reports”). Such information shall be provided to MidAmerica at the time and in the manner agreed to by the Employer

and MidAmerica. MidAmerica shall have no responsibility with regard to benefits paid in error due to the Employer's failure to timely provide or update such information. MidAmerica shall be entitled to rely on the completeness and accuracy of all information provided by the Employer, its delegates or employees.

The Employer shall be responsible for providing Contribution Billing Reports to MidAmerica. The Contribution Billing Reports by the Employer shall specify the effective date for each Participant who is added to or terminated from participation in the Plan. The Employer shall be responsible for ensuring the accuracy of its Contribution Billing Reports and shall bear the burden of proof in any dispute relating to the accuracy of its Contribution Billing Reports. MidAmerica shall have no liability, to the Employer and to any Participant, as a consequence of an inaccurate Contribution Billing Report. MidAmerica shall not have any obligation to credit the Employer for any claims expenses or administrative fees incurred or paid to MidAmerica as a consequence of the Employer failing to review Contribution Billing Reports for accuracy. MidAmerica shall be entitled to assume that all information provided by the Employer is complete and accurate and is under no duty to question the completeness or accuracy of such information.

2.4 Plan Documents

The Employer is responsible for the Plan's compliance with all applicable federal and state laws and regulations. The Employer acknowledges that MidAmerica is not providing tax or legal advice and that the Employer shall be solely responsible for determining the legal and tax status of the Plan.

2.5 Liability for Payment of Card Claims

The Employer is responsible for all ineligible and unauthorized transactions arising under the Evolution Benefits Program. In no event will Evolution Benefits or MidAmerica be liable for any such transactions. In the event a Evolution Benefits Card is used for an ineligible expense, the Employer will credit the Deposit Account and use its best efforts to recover the funds from the Participant. The Employer will bear the loss of any uncollectible amounts from Participants. In the event that the Employer requests certain restricted merchant category codes be made available for use by Participants, the Employer will assume liability for any and all losses incurred either fraudulently or inadvertently by the Participant; in addition to all fees associated with incurred losses.

2.6 Non-Discretionary Duties; Additional Duties

MidAmerica and the Employer agree that the duties to be performed hereunder by MidAmerica are non-discretionary duties. MidAmerica and the Employer may agree to additional duties in writing as may be specified in the Exhibits from time to time.

2.7 Indemnification

The Employer shall indemnify MidAmerica and hold it harmless from and against all loss, liability, damage, expense, attorneys' fees or other obligations resulting from, or arising out of, any act or omission of the Employer in connection with the Plan or any claim, demand or lawsuit by Plan Participants and beneficiaries against MidAmerica in connection with benefit payments or services performed hereunder. In addition, the Employer shall indemnify MidAmerica and hold it harmless from and against any liability, expense, demand or other obligation resulting from, or out of any premium charge, tax or similar assessment (federal or state), for which the Plan or the Employer is liable. The Employer shall also have the indemnification obligation described in Section 3.4.

2.8 Claims Appeals

The Employer shall make final determination regarding any claim for benefits on coverage that is appealed, including (a) any question of eligibility or entitlement of the claimant for coverage under the Plan, (b) any question with respect to the amount due; or (c) any other appeal.

ARTICLE III. MIDAMERICA RESPONSIBILITIES

3.1 Sole Responsibilities

MidAmerica's sole responsibilities shall be as described in this Agreement (including the obligations listed in any Exhibit to this Agreement). MidAmerica shall be responsible only to provide those certain reimbursement and recordkeeping services described herein.

3.2 Service Delivery

MidAmerica shall provide customer service personnel to be available by telephone during normal business hours as determined by MidAmerica. MidAmerica shall not be deemed in default of this Agreement, nor held responsible for, any cessation, interruption or delay in the performance of its obligations hereunder due to causes beyond its reasonable control, including, but not limited to, issues affecting telephone lines or communication, natural disasters, acts of God, labor controversies, civil disturbances, disruptions of public markets, wars or armed conflicts or the inability to obtain sufficient materials or services required in the conduct of its business, including Internet access, or any change in or the adoption of any law, judgment or decree.

3.3 Benefit Payment

MidAmerica shall, as agent of the Employer, operate under the express terms of this Agreement and the Plan. The Employer shall determine if persons covered by the Plan (as described in the Eligibility Reports) are entitled to benefits under the Plan, and MidAmerica shall pay Plan benefits in its usual and customary manner to Participants as set forth in this Agreement.

3.4 Prior Administration

MidAmerica shall have no duty or obligation with respect to claims incurred prior to the Effective Date ("Prior Reimbursement Requests"), if any, and/or Plan administration or other services arising prior to the Effective Date ("Prior Administration"), if any, regardless of whether such services were/are to be performed prior to or after the Effective Date. The Employer agrees that (a) the Employer will be responsible for processing Prior Reimbursement Requests (including any run-off claims submitted after the Effective Date) and maintaining legally required records of all Prior Reimbursement Requests and Prior Administration sufficient to comply with applicable legal (e.g. IRS substantiation) requirements; and (b) the Employer shall indemnify and hold MidAmerica harmless for any liability relating to Prior Reimbursement Requests and/or Prior Administration.

3.5 Reporting

MidAmerica shall make available to Participants via website a report showing their individual payment history and status of claims and the amounts and transactions in their individual accounts during the preceding month. MidAmerica shall include a statement of account balance on each distribution check mailed to the Participants. MidAmerica shall also provide a statement of account activity to each Participant each quarter.

Each of the Employer's employees will be provided a unique username/password combination to access MidAmerica's website. MidAmerica has no liability for costs, expenses or other ramifications resulting from the disclosure of username or password information by an employee of the Employer or the Employer.

3.6 Recordkeeping

MidAmerica shall maintain, for the duration of this Agreement, the usual and customary books, records and documents, including electronic records, that relate to the Plan and its Participants that MidAmerica has prepared or that has otherwise come within its possession. These books, records and documents, including electronic records are and shall remain after termination of this Agreement the property of MidAmerica.

3.7 Liability for Manual Claims

MidAmerica is responsible for payment of claims made pursuant to, and the benefits to be provided by, the Plan after funding by the Employer is received as outlined in Article IV. Except for expenses specifically assumed by MidAmerica in this Agreement, if any, the Employer is responsible for all expenses incident to the Plan.

3.8 Standard of Care; Erroneous Payments

MidAmerica shall use reasonable care and due diligence in the exercise of its powers and the performance of its duties under this Agreement. If MidAmerica makes any payment under this Agreement to an ineligible person, or if more than the correct amount is paid, MidAmerica shall make a diligent effort to recover any payment made to or on behalf of an ineligible person or any overpayment. However, MidAmerica will not be liable for such payment, unless MidAmerica would otherwise be liable under another provision of this Agreement.

3.9 Privacy

Except as noted herein, MidAmerica will not disclose to any third party any of Employer's information that is of a confidential nature, including employee-specific information. MidAmerica agrees to the HIPAA Business Associate Addendum for any program subject to HIPAA.

MidAmerica agrees to amend this Agreement as is necessary from time to time to comply with the requirements of the privacy rules under HIPAA or other legislation.

ARTICLE IV. BENEFIT PLAN PAYMENTS; THE EMPLOYER'S FUNDING RESPONSIBILITY

4.1 Funding and Payment of Manual Claims

For each applicable pay period, the Employer shall promptly forward a Contribution Billing Report. The Employer authorizes MidAmerica to pay Plan benefits by checks written (or other draft payment or debit) on a bank account established and maintained in the name of MidAmerica for the payment of Plan benefits. MidAmerica shall have sole authority to provide notifications, instructions or directions as may be necessary to accomplish the disbursement of such Plan funds to or on behalf of Participants in payment of approved claims. MidAmerica will notify the Employer of the amount of the distributions payable, and the Employer will transfer the monies to the bank account established and maintained in the name of MidAmerica.

4.2 Funding and Payment of Payment Card Claims

The Employer shall sign and maintain in effect an ACH agreement with Evolution Benefits, as referenced in Exhibit C and agrees to comply with all the terms and conditions of said agreement. The Evolution Benefits Program will not be provided to any Employer that has not signed and delivered an ACH Agreement. Pursuant to the ACH Agreement, Employer will pre-fund a Deposit Account established by Evolution Benefits with the Minimum Balance. Evolution Benefits will monitor and ensure the Minimum Balance is maintained by using the SureTrak System daily funding reports. In the event that Card Transactions reduce the balance in the Deposit Account to an amount less than the Minimum Balance, Evolution Benefits will immediately initiate an ACH transfer of additional funds from the Employer to the Deposit Account in an amount sufficient to restore the Deposit Account to the Minimum Balance. Evolution Benefits may increase the Minimum Balance at Evolution Benefits' sole discretion or discontinue service for all relevant Employer Evolution Benefits Cards, should the balance of the Deposit Account consistently fall below the Minimum Balance. Employer is responsible for any and all third party costs incurred by Evolution Benefits as a result of not consistently maintaining the Minimum Balance. ACH is the only acceptable means for funds transfer.

4.3 Employer's Failure to Maintain Sufficient Funds for Benefit Payments

In the case that a Participating Employer does not forward the Distribution Amounts to MidAmerica in a timely manner, MidAmerica reserves the right to delay the payments of claims until monies are received.

4.4 Penalties for Non Payment of Payment Card Distribution Amounts

The Employer shall agree to the service charges as outlined in Exhibit A.

ARTICLE V. COMPENSATION

5.1 Fee Schedule

The Employer agrees to the fee schedule outlined in Exhibit A.

ARTICLE VI. GENERAL PROVISIONS

6.1 Severability; Headings

If any term of this Agreement is declared invalid by a court, the same will not affect the validity of any other provision, provided that the basic purposes of this Agreement are achieved through the remaining valid provisions. The headings of articles, sections and subsections contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement.

6.2 Compliance; Non-Waiver

Failure by the Employer or MidAmerica to insist upon strict performance of any provision of this Agreement will not modify such provision, render it unenforceable, or waive any subsequent breach. No waiver or modification of any of the terms or provisions of this Agreement shall be valid unless in each instance the waiver or modification is accomplished pursuant to the amendment provisions of Section 6.3.

6.3 Assignment; Amendment

Neither the Employer nor MidAmerica may assign this Agreement without the other party's advance written consent. This Agreement may be amended only by written agreement of duly authorized officers of the Employer and MidAmerica.

6.4 No Third-Party Beneficiaries

This Agreement is made solely for the benefit of the Employer and MidAmerica. No other person shall acquire or have rights hereunder or by virtue of this Agreement.

6.5 Notices and Communications

(a) **Notices.** All notices provided for herein shall be sent by confirmed facsimile, or guaranteed overnight mail with tracing capability or by first class United States mail, with postage prepaid, addressed to the other party at their respective addresses set forth below or such other addresses as either party may designate in writing to the other from time to time for such purposes. All notices provided for herein shall be deemed given or made when received.

(b) **Addresses.** The MidAmerica address for notices as described above is MidAmerica Administrative & Retirement Solutions, Inc., 211 E. Main Street, Suite 100, Lakeland, FL 33801.

(c) **Communications.** The Employer agrees that MidAmerica may communicate confidential, protected, privileged or otherwise sensitive information to the Employer through a named contact designated by the Employer ("Named Contact") and specifically agrees to indemnify MidAmerica and hold it harmless; (i) for any such communication directed to the Employer through the Named Contact attempted via fax, mail, telephone, e-mail or any other media, acknowledging the possibility that such communication may be inadvertently misrouted or intercepted; and (ii) from any claim for the improper use or disclosure of any health information by MidAmerica where such information is used or disclosed in a manner consistent with its duties and responsibilities hereunder.

6.6 Termination of Agreement

(a) **Automatic.** This Agreement shall automatically terminate as of the earliest of the following:

- (i) the effective date of any legislation which makes the Plan and/or this Agreement illegal;
- (ii) the date the Employer becomes insolvent, or bankrupt or subject to liquidation, receivership or conservatorship; or
- (iii) the termination date of the Plan, subject to any agreement between the Employer and MidAmerica regarding payment of benefits after the Plan is terminated.

(b) **Optional.** This Agreement may be terminated as of the earliest of the following:

- (i) by MidAmerica upon the failure of the Employer to submit required payments;
- (ii) by MidAmerica upon the failure of the Employer to perform its obligations in accordance with this Agreement;
- (iii) by the Employer upon the failure of MidAmerica to perform its obligations in accordance with this Agreement; or
- (iv) by either the Employer or MidAmerica as of the end of the term of this Agreement by giving the other party sixty (60) days' written notice.

(c) **Limited Continuation After Termination.** If the Plan is terminated, the Employer and MidAmerica may mutually agree in writing that this Agreement shall continue for the purpose of payment of any Plan benefit, expense or claims incurred prior to the date of Plan termination. In addition, if this Agreement is terminated while the Plan continues in effect, this Agreement shall continue for the purpose of payment of any claims for which request for reimbursements has been received by MidAmerica before the date of such termination. If this Agreement is continued in accordance with this subsection, the Employer shall pay the required monthly post-termination service charges.

(d) **Survival of Certain Provisions.** Termination of this Agreement shall not terminate the rights or obligations of either party arising out of a period prior to such termination. The indemnity confidentiality and privacy provisions of this Agreement shall survive its termination.

6.7 Complete Agreement; Governing Law

This Agreement (including the Exhibits) is the full Agreement of the parties with respect to the subject matter hereof and supersedes all prior agreements and representations between the parties. Any waiver, modification or amendment of any provision of this Agreement shall be effective only if in writing and signed by both parties. This Agreement shall be construed, enforced, and governed by the laws of the State of Florida.

IN WITNESS WHEREOF, the Employer and MidAmerica have caused this Agreement to be executed in their names by their duly authorized officers.

Name of the Employer: City of Biggs

Signature: _____

Print Name: _____

Title: _____

Date: _____

MidAmerica Administrative & Retirement Solutions, Inc.

Signature: _____

Print Name: J. Wesley Compton, CPA, CEBS

Title: President

Date: _____

SLK_TOL #1180342-v2

**EXHIBIT A
FEE SCHEDULE**

Standard Fees			
Item	Description	Cost	Unit Measure
Monthly Maintenance	Includes Claims Administration, Customer Service, Reporting and other services outlined in Exhibit B.	\$6.00	Per participant per month
Monthly Payment Card Fee	Covers electronic claims management and customer service.	\$1.50	Per primary participant per month
Dependent Card and Replacement Card	Cost per dependent card or replacement card issued.	\$5.00	Per card
Ancillary Fees			
Item	Description	Cost	Unit Measure
Returned Card Fee	Cost for undeliverable cards returned.	\$5.00	Per card, per occurrence
Lost or Stolen Card Investigation	Cost for investigative reports and research on lost or stolen cards.	\$25.00	Per report, per occurrence
Chargeback Disputes	Cost for research on disputed transactions.	\$25.00	Per disputed transaction submitted
Card Embossing Cancellation	Cost for cancellation of card orders that have already been submitted to the card issuer and are in the production process.	\$5.00	Per card, per occurrence
Card Redirect	Cost for a redirect request to pull a card and mail to a different address other than the address supplied. Redirected cards are shipped via US mail, unless otherwise specified. Express delivery fees apply if express delivery is requested.	\$5.00	Per card, per occurrence
Failed ACH Transfer	Cost for failed ACH transfers. This fee is in addition to banking related fees associated with the failed transaction.	\$50.00 plus bank fees	Per failed ACH transaction
Negative Minimum Balance	Cost for any day in which the Employer has a negative balance, plus interest, applied daily at an annual rate of 25%	\$200.00 plus interest	Per day, per occurrence

**EXHIBIT B
SERVICES**

Capitalized terms used in this Exhibit and not defined have the meanings given in the Agreement.

Services Included:

The Employer is responsible for all legal requirements and administrative obligations with regard to the Plan, except for the following administrative duties (to be performed by MidAmerica):

- 1) MidAmerica shall make available (by electronic medium and paper copy) reimbursement forms and instructions for filing Participant claims.
- 2) MidAmerica shall notify Participants with regard to any claims that are denied due to inadequate substantiation or data submission and provide an adequate period of time for the Participant to resubmit the claim.

Services Not Included:

In addition to services described in the Agreement for which MidAmerica is not responsible, MidAmerica is not responsible for the following:

- 1) The Employer's compliance with Consolidated Omnibus Budget Reconciliation Act of 1985, as amended ("COBRA") and/or HIPAA.

HIPAA BUSINESS ASSOCIATE ADDENDUM

THIS HIPAA BUSINESS ASSOCIATE ADDENDUM (“**Addendum**”) supplements and is made a part of City of Biggs Agreement (“**Agreement**”) by and between MidAmerica Administrative & Retirement Solutions, Inc. (“**MidAmerica**”) and City of Biggs (“**Business Associate**”), and is effective as of April 14, 2003, the compliance date of the Privacy Rule (defined below) (the “**Addendum Effective Date**”).

RECITALS:

WHEREAS, MidAmerica wishes to disclose certain information to Business Associate pursuant to the terms of the Agreement, some of which may constitute Protected Health Information (“**PHI**”) (as hereinafter defined); and

WHEREAS, MidAmerica and Business Associate intend to protect the privacy and provide for the security of PHI disclosed to Business Associate pursuant to the Agreement in compliance with the Health Insurance Portability and Accountability Act of 1996, Public Law 104-191 (“**HIPAA**”) and regulations promulgated thereunder by the U.S. Department of Health and Human Services and other applicable laws; and

WHEREAS, the Privacy Rule (as hereinafter defined) requires MidAmerica to enter into a contract containing specific requirements with Business Associate prior to the disclosure of PHI;

NOW THEREFORE, in consideration of the mutual promises below and the exchange of information pursuant to this Addendum, the parties agree as follows:

1. **Definitions.**

a. “**Privacy Rule**” shall mean the HIPAA Regulation that is codified at 45 C.F.R. Parts 160 and 164.

b. “**Protected Health Information**” or “**PHI**” means any information, whether oral or recorded in any form or medium: (i) that relates to the past, present or future physical or mental condition of an individual; the provision of health care to an individual; or the past, present or future payment for the provision of health care to an individual; and (ii) that identifies the individual or with respect to which there is a reasonable basis to believe the information can be used to identify the individual, and shall have the meaning given to such term under the Privacy Rule, including, but not limited to, 45 C.F.R. Section 164.501.

c. “**Designated Record Set**” shall have the meaning given to such term under the Privacy Rule, including, but not limited to, 45 C.F.R. Section 164.501.

d. “**Treatment**” shall have the meaning given to such term under the Privacy Rule, including, but not limited to, 45 C.F.R. Section 164.501.

e. "Payment" shall have the meaning given to such term under the Privacy Rule, including, but not limited to, 45 C.F.R. Section 164.501.

f. "Health Care Operations" shall have the meaning given to such term under the Privacy Rule, including, but not limited to, 45 C.F.R. Section 164.501.

2. **Obligations of Business Associate.**

a. Permitted Uses and Disclosures. Business Associate may use and disclose PHI as necessary to perform its duties under the Agreement. These uses and disclosures include the following:

Processing of Plan Claims

All Required Federal Reporting

[insert above a description of any of the functions, services or activities of Business Associate that may involve the use or disclosure of PHI.]

b. Prohibited Uses and Disclosures. Business Associate shall not use PHI other than as permitted by the Privacy Rule or this Addendum. Business Associate shall not disclose PHI in any manner that would constitute a violation of the Privacy Rule if disclosed by MidAmerica, except that Business Associate may disclose PHI in a manner permitted pursuant to this Addendum. Business Associate shall not disclose PHI to any third party unless it obtains the written consent of MidAmerica. Such consent shall be conditioned upon the third party's execution of a written agreement to abide by this Addendum.

c. Appropriate Safeguards. Business Associate shall implement appropriate safeguards as are necessary to protect the confidentiality of PHI or to prevent its use or disclosure of PHI other than as permitted by this Addendum or the Privacy Rule. Business Associate shall notify all employees of their obligations regarding PHI, and ensure that all employees adhere to the terms of this Addendum.

d. Reporting of Improper Use or Disclosure. Business Associate shall report to MidAmerica any use or disclosure of PHI other than as provided for by this Addendum. Business Associate further agrees to mitigate, to the extent possible, the harmful effects of the unauthorized disclosure.

e. Disclosure to Agents. Business Associate shall ensure that any agents, including subcontractors, to whom it provides PHI agree to the same restrictions and conditions that apply to Business Associate with respect to such PHI.

f. Access to PHI. If Business Associate maintains PHI in a Designated Record Set, Business Associate will act promptly upon MidAmerica's request to make PHI available to MidAmerica or, at MidAmerica's direction, to the patient who is the subject of the PHI (or the patient's personal representative) for inspection and copying. This includes PHI which Business Associate created for or received from MidAmerica and that is in Business Associate's custody or control. Business Associate will provide access to PHI in no more than 10 business days after MidAmerica's request for access. Business Associate will cooperate with MidAmerica if

MidAmerica requests copies of PHI. If Business Associate makes copies of PHI pursuant to MidAmerica's request, MidAmerica will reimburse Business Associate with Business Associate's reasonable copy charges which shall not exceed those copying charges that may be imposed upon a patient for copies of their PHI under the Privacy Rule.

g. Amendment of PHI. If Business Associate maintains PHI in a Designated Record Set, Business Associate will, upon receipt of notice from MidAmerica, promptly amend or permit MidAmerica access to amend any portion of the PHI which Business Associate created or received for or from MidAmerica, so that MidAmerica may meet its amendment obligations under 45 CFR § 164.526. Business Associate will provide for access or amendment to PHI in no more than 10 business days after MidAmerica's request for access or amendment.

h. Accounting Rights. Business Associate agrees to document such disclosures of PHI and information as would be required for MidAmerica to respond to a request by a patient (or the patient's personal representative) for an accounting of disclosures of PHI in accordance with 45 C.F.R. § 164.528.

i. Disclosure Tracking. Starting April 14, 2003, Business Associate will record for each disclosure to MidAmerica or third parties of PHI that Business Associate creates for or receives from MidAmerica: (i) the disclosure date, (ii) the name and (if known) address of the person or entity to whom Business Associate made the disclosure, (iii) a brief description of the PHI disclosed, and (iv) a brief statement of the purposes of the disclosure (items i-iv will hereinafter collectively be referred to as the "**disclosure information**"). For repetitive disclosures Business Associate makes to the same person or entity (including MidAmerica for a single purpose), Business Associate may provide (i) the disclosure information for the first of these repetitive disclosures, (ii) the frequency, periodicity or number of these repetitive disclosures and (iii) the date of the last of these repetitive disclosures. Business Associate will make this disclosure information available to MidAmerica in no more than 10 business days of MidAmerica's request. Notwithstanding the foregoing, certain disclosures will be excepted from disclosure accounting under Addendum Section 2.h.ii. "Exceptions from Disclosure Tracking" below.

ii. Exceptions from Disclosure Tracking. Business Associate need not record disclosure information or otherwise account for disclosures of PHI that this Addendum or MidAmerica in writing permits or requires (i) for the purpose of MidAmerica's Treatment activities, Payment activities, or Health Care Operations, (ii) to the patient who is the subject of the PHI disclosed or to that patient's personal representative; (iii) to persons involved in that patient's health care or payment for health care; (iv) for notification for disaster relief purposes, (v) for national security or intelligence purposes, or (vi) to law enforcement officials or correctional institutions regarding inmates.

iii. Disclosure Tracking Time Periods. Business Associate must have available for MidAmerica the disclosure information required by Addendum Section 2.h.i "Disclosure Tracking" for the 6 years preceding MidAmerica's request for the disclosure information (except Business Associate need not retain disclosure information for disclosures occurring before April 14, 2003).

i. Governmental Access to Records. Business Associate shall make its internal practices, books and records relating to the use and disclosure of PHI available to or MidAmerica the Secretary of the U.S. Department of Health and Human Services (the "**Secretary**") for purposes of

determining MidAmerica's compliance with the Privacy Rule within a reasonable time of a request for the same. Such request shall only be made by MidAmerica if MidAmerica is required to obtain such information by the U.S. Department of Health and Human Services or its agents.

3. **Termination.**

a. **Material Breach.** A breach by Business Associate of any material provision of this Addendum, shall constitute a material breach of the Agreement and shall provide grounds for termination of the Agreement by the MidAmerica. In the event of such breach, MidAmerica shall provide Business Associate with written notice of the breach and ten (10) days in which to cure the breach. If the breach is not cured within ten (10) days, Business Associate shall terminate the Agreement.

b. **Effect of Termination.** Upon termination of the Agreement for any reason, Business Associate shall return or destroy all PHI that Business Associates or its agents or subcontractors still maintain in any form, and shall retain no copies of such PHI. If Business Associate destroys PHI, Business Associate shall certify in writing to MidAmerica that such PHI has been destroyed. If return or destruction is not feasible, Business Associate shall continue to extend the protections of Section 2 of this Addendum to such information, and limit further use or disclosure of such PHI to those purposes that make the return or destruction of such PHI infeasible.

4. **Amendment.**

a. **Amendment to Comply with Law.** The parties acknowledge that state and federal laws relating to data security and privacy are rapidly evolving and that amendment of this Agreement may be required to provide for procedures to ensure compliance with such developments. The parties specifically agree to take such action as is necessary to implement the standards and requirements of HIPAA, the Privacy Rule and other applicable laws relating to the security or confidentiality of PHI. Upon the request of either party, the other party agrees to promptly enter into negotiations concerning the terms of an amendment to this Addendum embodying written assurances consistent with the standards and requirements of HIPAA, the Privacy Rule or other applicable laws.

b. **Amendment of Addendum.** This Addendum may be modified or amended by mutual agreement of the parties at any time without amendment of the Agreement.

5. **Conflicts.** The terms and conditions of this Addendum will override and control any conflicting term or condition of the Agreement. All non-conflicting terms and conditions of the Agreement will remain in full force and effect.

Business Associate, If Individual

Name of Employer: _____
Signature: _____
Print Name: _____
Title: _____
Date: _____

Business Associate, If Entity

Name of Employer: City of Biggs
Signature: _____
Print Name: _____
Title: _____
Date: _____

MidAmerica Administrative & Retirement Solutions, Inc.

Signature: _____
Print Name: J. Wesley Compton, CPA, CEBS
Title: President
Date: _____

Unallocated Fixed Contract Application, Acceptance, & New Business Agreement

American United Life Insurance Company®
P. O. Box
Indianapolis, Indiana 46206-0368

Version 1.0 -- 04/2008

Contract Number G80419

Contract Effective Date January 1, 2012

Contract Suffix Number _____

Plan Sponsor's State of Domicile CA

The Proposed Contractholder identified below hereby applies to American United Life Insurance Company (AUL) for the Group Annuity Contract Number identified above. This completed form must be approved by the AUL Corporate Office before a group annuity contract will be issued.

Contract Type:

Unallocated Fixed-Only (15FP)

Select Governmental or Non-Governmental Plan Sponsor (select only one):

Governmental (non-registered) Private Sector (registered)

Select Plan Type (select only one):

(1) 3121 or Special Pay 401(a) (3) 3121 or Special Pay or Employer-Sponsored 401(a)/403(b) (7) 3121 457(b) (R) HRA Trust/VEBA (S) HSA (T) GASB 45 OPEB Trust/VEBA

Select Product Type (select only one):

E0 E1 R2 E0B E1B R2B

Select Business Type (select only one):

Start-up Takeover

General Information

Proposed Contractholder: City of Biggs			
Employer's Identification Number (EIN): 94-6000300			
Executive Contact:	Phone # :	(530)868-0100	Fax # :
Executive Contact's Address:P.O.Box 307	Biggs	CA	95917
Executive Contact's Email Address:biggs1@biggs-ca.gov			
Administrative Contact:Roben Dewsnup	Phone # :	5308680102	Fax # : 5308685239
Administrative Contact's Address:P.O.Box 307	Biggs	CA	95917
Administrative Contact's Email Address:biggsap@biggs-ca.gov			

Producer Information

Primary Producer:	Primary B/D:
Primary Producer Address:	
Primary Producer Email Address:	
Primary Phone:	Primary Fax:

TPA Information

MidAmerica, Administrative & Retirement Solutions, Inc.
211 East Main Street, Suite 100
Lakeland, FL 33801
800.430.7999

Investment Option Selection

The AUL Fixed Interest Account(FIA) (I2) will be the only annuity investment option made available.

Withdrawal Charge (*presently approved in California only*)

A Withdrawal Charge will not be applied under this contract, with one exception. A 5% Withdrawal Charge will be applied at contract termination to any FIA monies that are paid out at the Contractholder's direction in a lump-sum rather than in 5 equal annual installments.

Summary of Billable Expenses

Currently, there are none.

Contract Termination Provisions

Upon termination of the contract, the FIA Withdrawal Value must be taken in 5 equal annual installments. A cash lump-sum payment of monies invested in the FIA is not an available option. This restriction applies to all Contribution sources.

AUL Recordkeeping/Administrative Services Agreement

The Proposed Contractholder hereby requests **only** investment recordkeeping for assets held in the applied-for Contract, and does not request any other recordkeeping or administrative services. AUL will only maintain recordkeeping of assets at a contract/plan-level. Furthermore, AUL will not be providing statements, confirmations, or any other reporting to the Contractholder.

The Proposed Contractholder hereby acknowledges and agrees that, as Plan Fiduciary, it has the sole responsibility for assuring that the Plan complies with all applicable state and federal law, including ERISA, the Internal Revenue Code, and securities laws, both in form and in operation.

The Proposed Contractholder hereby acknowledges and agrees that MidAmerica Administrative & Retirement Solutions, Inc. is the Third Party Administrator (TPA) and Plan Administrator, and that, other than in this Unallocated Contract Application, Acceptance, and Agreement form, AUL shall accept direction and instructions regarding both the Plan and the Contract only from MidAmerica, and shall not accept direction and instructions directly from the Contractholder.

Facsimile/Electronic Media Acceptance Agreement

Instructions provided to AUL and its agents to execute, cancel, or otherwise proceed with transactions including those related to, but not limited to, enrollments, loan applications, distributions, and correspondence will be accepted via facsimile, copy, or via other electronic media. This agreement does not include retirement plan adoption agreements, group annuity contracts, amendments thereto, the annual census, and Notice, Election & Release or Contract Settlement Agreement documents.

This agreement includes instructions from the TPA, Plan Sponsor, Plan Administrator, and/or Contractholder. The Contractholder and TPA will indemnify and hold harmless AUL for all claims, losses, liabilities and expenses, including legal fees and expenses, resulting from any action taken or not taken by AUL in good faith in accordance with this agreement.

Preliminary Agreement for the Group Annuity Contract

- (1) Upon the date a contribution is made to the Contract following the Proposed Contractholder's receipt of the Contract (but no earlier than 60 days after the Contract Date of Issue), if AUL does not receive a signed acceptance of the Contract at its Corporate Office by that date, the Proposed Contractholder shall be deemed to have accepted the Contract and any accompanying amendment to the Contract by the making of such contribution. The Contract and any accompanying amendment shall be effective as of the effective dates shown on the Contract and amendment.
- (2) If the Contract is not accepted or deemed accepted, and if the Proposed Contractholder notifies AUL at its Corporate Office in writing that it will not accept the Contract, the following amount shall be paid in a single sum to the Proposed Contractholder on a mutually agreed-upon date: any contributions to the Contract which have been allocated to AUL's general asset account, plus interest credited thereon as determined pursuant to the Contract, which remain in AUL's general asset account as of such date of payment. AUL shall make such payment only upon receipt at its Corporate Office of a proper form signed by the Proposed Contractholder and, if applicable, by the employer sponsoring the retirement plan for which the Contract is to be a funding vehicle, releasing AUL, its agents, and its employees from any and all liability arising out of such payment by AUL.
- (3) This Preliminary Agreement shall terminate when:
 - (A) the signed Contract acceptance is received by AUL at its Corporate Office; or
 - (B) the Contract is deemed accepted under Section (1) above; or
 - (C) payment is made by AUL pursuant to Section (2) above.

Electronic Contribution Processing and Employee Data Gathering

The Employer/Plan Sponsor/TPA has elected to send contributions and employee information electronically using tools provided by AUL. The Employer/Plan Sponsor agrees to allow AUL to debit its checking account for the allocable contribution amount shown on each of its contribution listings submitted to AUL. Additionally, the Employer/Plan Sponsor/TPA agrees that AUL can rely on information provided through the electronic data transmission vehicles. To establish electronic data transmission accounts, you must first complete an Electronic Data Transmission Account Profile available from AUL.

Fiduciary Acceptance

Any reference to Contractholder in this Application, Acceptance, and Agreement should be read as Proposed Contractholder until the applied-for group annuity contract goes into effect.

I, the undersigned, as TPA/Plan Administrator of the City of Biggs Plan ("Plan"), hereby appoints AUL as the TPA/Plan Administrator's agent for the sole purpose of executing the Plan's investment instructions through the OneAmerica TeleServe® and Account Services systems. It is understood that AUL will execute the Plan's investment instructions received through the OneAmerica TeleServe® and Account Services systems effective as of the close of business on the valuation date, as referenced in your contract, in which AUL receives the request. It is further understood that AUL has no direction or authority to alter or decline to execute any Plan's investment instructions received through the OneAmerica TeleServe® or Account Services systems, unless such instructions are impossible to execute. If any such instructions are impossible to execute, AUL will so notify the TPA/Plan Administrator before the instructions are accepted by OneAmerica TeleServe® or Account Services. All investment instructions received and executed through the OneAmerica TeleServe® or Account Services system will be confirmed in writing to the TPA/Plan Administrator within ten business days.

The Contractholder, TPA/Plan Administrator, and AUL hereby agree by signing below, that they will be bound by the terms of this Application, Acceptance, and Agreement as of the date of AUL's acceptance. The terms of the Preliminary Agreement are superseded by the terms of the applied-for Contract as issued by AUL, and the Contract is accepted or is deemed accepted under the provisions of the Preliminary Agreement. If an amendment accompanies the issued contract, the Contractholder must sign and date the amendment and return a copy to AUL.

Electronic acceptance of this Application, Acceptance, and Agreement by AUL, Indianapolis, Indiana indicates that AUL has reviewed its contents along with all other required materials and has accepted its terms, and is equivalent to AUL's written signature.

NON-REGISTERED FIXED ANNUITY OFFERING REPRESENTATION
(For governmental applicants with an HRA or a GASB 45 OPEB Plan)

The undersigned Employer and Trustee(s) understand that American United Life Insurance Company (AUL), in reliance on the following representations and warranties, will offer a non-registered fixed annuity contract to the Employee Benefit Trust or the VEBA Trust entered into by and between the Employer and the Trustee, dated _____, in connection with certain benefit plans offered by the Employer for the exclusive benefit of its employees. Such offer is based upon the governmental plan exception to securities registration under Section 3(a)(2) of the Securities Act of 1933.

REPRESENTATIONS AND WARRANTIES

EMPLOYER

The Employer hereby represents and warrants that:

- (1) the Employer is a State, or political subdivision of a State, or agency or instrumentality of a State or political subdivision, within the meaning of Section 414(d) of the Internal Revenue Code of 1986 ("Code");
- (2) the Employer has authority under applicable State laws and regulations to enter into, maintain, and establish said Employee Benefit Trust or VEBA Trust (and benefit plan(s) thereunder);
- (3) any contributions to the Trust shall be made exclusively by the Employer or its employees and be held for the exclusive benefit of the employees;
- (4) the Employee Benefit Trust is exempt from taxes under Code Section 115, or the VEBA Trust is exempt from taxes under Code Section 501(c)(9); and
- (5) the Employee Benefit Trust or the VEBA Trust (and benefit plan(s) thereunder) is a governmental plan as defined in Code Section 414(d), established for the exclusive benefit of the employees of the Employer.

TRUSTEE

The Trustee hereby represents and warrants that:

- (1) the Employee Benefit Trust or the VEBA Trust was established to secure and hold funds to be contributed by the Employer under certain benefit plans sponsored by the Employer;
- (2) the Trust assets will be held for the exclusive benefit of the Employer's employees, and no portion of the corpus or income of the Trust will revert to the Employer or otherwise divert to third parties, except to pay for reasonable administrative expenses incurred by the Trust;
- (3) the Employee Benefit Trust is exempt from taxes under Code Section 115, or the VEBA Trust is exempt from taxes under Code Section 501(c)(9); and
- (4) the Employee Benefit Trust or the VEBA Trust (and benefit plan(s) thereunder) is a governmental plan as defined in Code Section 414(d), established for the exclusive benefit of the employees of the Employer.

IN WITNESS WHEREOF, the undersigned have executed this Representation on the signature page below, on the date(s) set forth on the signature page below.

Application for, and Acceptance of, the Contract:

**APPLICATION TO THE AMERICAN UNITED LIFE INSURANCE COMPANY FOR
A GROUP ANNUITY CONTRACT**

City of Biggs (hereinafter called the Applicant) hereby applies for Group Annuity Contract Number G 80419. This application is made a part of said contract, which is hereby approved and its provisions and conditions accepted. This application is executed in duplicate, one counterpart being attached to said contract, and the other being returned to American United Life Insurance Company. It is agreed that this application supersedes any previous application for said contract.

STATE NOTIFICATION

All states excluding those states listed below: Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or knowingly presents false information in an application for insurance is guilty of a crime and may be subject to civil fines and criminal penalties.

In Colorado, any person who knowingly provides false, incomplete, or misleading facts or information to an insurance company for the purpose of defrauding or attempting to defraud the company commits a crime. Penalties may include imprisonment, fines, denial of insurance, and civil damages. Any insurance company or agent of an insurance company who knowingly provides false, incomplete, or misleading facts or information to a policyholder or claimant for the purpose of defrauding or attempting to defraud the policyholder or claimant with regard to a settlement or award payable from insurance proceeds shall be reported to the Colorado division of insurance within the department of regulatory agencies.

In Florida, any person who knowingly and with intent to injure, defraud, or deceive any insurer files a statement of claim or an application containing any false, incomplete, or misleading information is guilty of a felony of the third degree.

In Louisiana, Pennsylvania, and Tennessee, any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance or statement of claim containing any materially false information or conceals for the purpose of misleading, information concerning any fact material thereto commits a fraudulent insurance act, which is a crime and subjects such person to criminal and civil penalties.

In Maine and Washington, any person who knowingly provides false, incomplete or misleading information to an insurance company for the purpose of defrauding the company commits a crime. Penalties may include imprisonment, fines or denial of insurance benefits.

In New Jersey and Virginia, any person who includes any false or misleading information on any application for an insurance policy is subject to criminal and civil penalties.

In Florida: Does this group annuity contract replace any existing group annuity contract?

 Yes No

If yes, submit any required replacement forms.

By signing and completing the information below, the following parties hereby agree to this Unallocated Contract Application, Acceptance, and New Business Agreement.

Dated at City of Biggs on _____

APPLICANT/PROPOSED CONTRACTHOLDER/PLAN FIDUCIARY

Signature: _____
Printed Name: _____
Title: _____
Date: _____

AUL RETIREMENT SERVICES OFFICER

Signature: _____
Printed Name: _____
Title: _____
Date: _____

TPA/PLAN ADMINISTRATOR

Signature: _____
Printed Name: J. Wesley Compton, CPA, CEBS
Title: President
Date: _____

SOLICITING PRODUCER

Signature: _____
Printed Name: _____
Title: _____
Date: _____

Florida License ID No. (for Florida Applications)

ID No. _____

For governmental employers applying for a fixed group annuity contract to be used with an HRA or a GASB 45 OPEB Plan, by signing and completing the information below, the following parties hereby agree to the "Non-Registered Fixed Annuity Offering Representation" above.

"EMPLOYER" (with respect to Employer representations only)

Dated: _____

By: _____

TRUSTEE(S) (with respect to Trustee representations only)

By: _____

Dated: _____

Name: _____

By: _____

Dated: _____

Name: _____

By: _____

Dated: _____

Name: _____

AUL Fixed Interest Account



We believe that using an AUL contract as a funding vehicle for your retirement plan is a sound choice. Through the contract, you can choose from a variety of investment options covering a wide range of asset classes and risk categories, including a fixed interest option that provides a guarantee of principal and a lifetime minimum interest rate guarantee.

The Fixed Interest Account is an interest-earning investment option, backed by AUL's general account assets. AUL guarantees that interest will be credited at the declared current rate, or the minimum rate guaranteed rate in the contract, whichever is higher.

AUL general account specifics (as of December 31, 2009):

- Average life of investment: 6.9 years
- Average duration of investment: 5.2 years
- Percentage rated below BBB: 3%

For 2011, AUL will credit interest to all amounts in the Fixed Interest Account at a rate of 3.10% unless a higher rate is declared during the year.

Administrative cost factor

In setting an interest rate for the Fixed Interest Account, AUL takes into account the expected earnings on investments over the time period the rate will be effective and the expected operational

expenses over that time period, including but not limited to, the cost of providing administrative and recordkeeping services to its Retirement Services clients, expenses related to the acquisition of new business, the cost of capital, general overhead costs and profit. Over the last three years, the cost of providing administrative and recordkeeping services to AUL clients has averaged 0.54 percent.

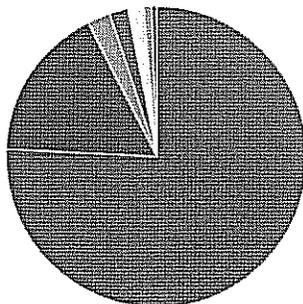
Exposure to asset classes

AUL Fixed Interest Account investments primarily consist of a well-diversified mix of high quality bonds and commercial mortgages. Our exposure to below-investment grade bonds is approximately 4 percent, which is among the lowest in the life insurance industry. We have very little exposure in our general account to equities or alternative assets. Our owned real estate primarily consists of our corporate office in Indianapolis.

We have no exposure in the AUL general account to:

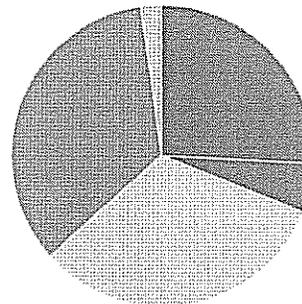
- Subprime loans
- Alt-A investments (liar loans)
- Collateralized debt obligations (CDOs)
- Fannie Mae/Freddie Mac stock
- Credit default swaps (CDSs)
- Collateralized loan obligations (CLOs)
- Structured investment vehicles (SIVs)
- Auction rate loans
- Lehman Brothers
- Washington Mutual
- AIG stock
- Wachovia stock

Major classes of investments as of December 31, 2009



Investment classes	%
Bonds	81.6
Commercial mortgages	13.3
Policy loans	2.2
Cash/Short term	1.2
Stocks	0.8
Real estate	0.6
Other investments	0.3

Credit quality ratings of bond as of December 31, 2009



Investment classes	%
AAA	21.2
AA	5.5
A	30.4
BBB	39.5
Below BBB	4.0

Note: Percentages are based on weighted book value of the bond portfolio.

Products and financial services provided by

AMERICAN UNITED LIFE INSURANCE COMPANY® | a ONEAMERICA® company

One American Square, P.O. Box 368 | Indianapolis, IN 46206-0368 | (317) 285-1877 | www.oneamerica.com

In order to better understand the ratings, you should know that government-backed securities typically carry a AAA rating, and investment-grade securities carry a rating of BBB or higher. Those bonds carrying a rating of BB, or lower are considered to be below investment grade, and are commonly referred to as high-yield, or “junk” bonds.

Delivering financial strength when customers need us most

As a mutual organization, we answer to our customers, not outside shareholders or Wall Street. We take a conservative approach to financial management because we understand that protecting the money our customers entrust with us is the most important thing we do. This philosophy has served us well for 130 years, enabling us to avoid most of the problems that have been occurring in the markets.

Our investment diligence has proven successful, as we have not had a significant bond default in over five years or a delinquency in our commercial mortgage portfolio in over seven years. With our proven track record and current financial strength, AUL has no plans to change its money management philosophy.

Important information

Tax qualified retirement plans from American United Life Insurance Company[®] (AUL) are funded by an AUL group annuity contract. While a participant in an annuity contract may benefit from additional investment and annuity related benefits under the annuity contract, any tax deferral is provided by the plan and not the annuity contract.

A variable annuity is a long-term, tax-deferred investment designed for retirement that will fluctuate in value. It allows you to create a stream of income through a process called annuitization and also provides a variable return based on the performance of the underlying investments. A variable annuity does have limitations. Variable annuities have fees and charges that include mortality and expense, administrative fees, contract fees, and the expense of the underlying investment options.

Plus, if you're not yet 59½, you may also have to pay an additional 10 percent tax penalty on top of ordinary income taxes. You should also know that an annuity contains guarantees and protections that are subject to the issuing insurance company's ability to pay for them. But these guarantees don't apply to any variable accounts that are subject to investment risk, including possible loss of your principal.

Registered Group Variable Annuities are sold by prospectus. Both the product prospectus and underlying fund prospectuses can be obtained from your investment professional or by writing to 433 N. Capitol Ave., Indianapolis, IN 46204, 1-877-285-3863. Before investing, carefully consider the fund's investment objectives, risks, charges and expenses. The product prospectus and underlying fund prospectus contain this and other important information. Read the prospectuses carefully before investing.

Current and future account holdings are subject to risk and there is no assurance that the investment objective of any investment option will be achieved. Before investing, understand that variable annuities are subject to market risk, including possible loss of principal.

Group variable annuity contracts are issued by AUL and registered group variable annuity contracts are distributed by OneAmerica Securities, Inc., Member FINRA, SIPC, a Registered Investment Advisor, 433 N. Capitol Ave., Indianapolis, IN 46204, 1-877-285-3863, which is a wholly owned subsidiary of AUL.

Bond funds have the same interest rate, inflation and credit risks that are associated with the underlying bonds owned by the fund.

Investments that focus on real estate investing are sensitive to economic and business cycles, changing demographic patterns and government actions.



City of Biggs

Agenda Item Staff Report for the Regular City Council Meeting: November 21, 2011 6:00PM

DATE: November 17, 2011
TO: Honorable Mayor and Members of the City Council
FROM: Pete Carr, City Administrator
SUBJECT: Section 125 Flex Spending Account (Consent/Action)

Council is asked to approve plan documents establishing a Section 125 flexible spending account (cafeteria plan) for City employee, provided by a vendor at no cost to the City.

Background

Council previously considered and agreed to offer a Section 125 flexible spending program/cafeteria plan to all employees, at no cost to the City. The program offers employees pre-tax payment of health care premiums as well as other optional benefit coverage choices 100% paid by the employee.

The plan administrator, recommended by the City's broker-of-record, has been selected and plan documents reviewed by City Administrator and City Attorney.

The plan administrator has met with City employees as a group and individually; each employee has enrolled in optional plan benefits, if any, of their choosing.

Plan effective date is set for January 1, 2012.

Attachments (2):

- Welcome letter (provided electronically)
 - Plan documents and adoption agreement (provided electronically)
- Both available at City Hall for public review.*

Recommendation:

Approve Section 125 plan documents and adoption agreement as presented, authorize Mayor to execute agreement.

Fiscal Impact of Recommendation:

None.

Thank you for selecting American Fidelity as the administrative services provider for your Section 125 cafeteria plan.

Our representative gathered specific employer information that was utilized to prepare the sample plan document for review by you and your legal counsel. If you provided the representative with an employer e-mail address, you may have received your document via e-mail. If the document was not e-mailed to you, it will be behind the **CURRENT PLAN DOCUMENT** tab of the binder. After reviewing the documentation to ascertain its correctness, and if all is in order, please remove the "sample" page and **sign** the document on page 7, as **required** by IRS regulations. We do not require a copy of the signed document for our records. You will be provided with a cafeteria plan binder that will serve as a central location for all of your permanent cafeteria plan documents and includes tabs for necessary documents and information. The signed plan document should be placed behind the **CURRENT PLAN DOCUMENT** tab.

Our services include assisting you in the administration of your cafeteria plan. We will prepare amended and restated plan documents, if necessary, based on information provided by you; provide an updated administration guide to assist you in the on-going administration of your plan (**Check www.afadvantage.com periodically for updated versions. The password is 'sect125'.**); provide either an annual re-enrollment of your employees, or enrollment forms, prior to the plan anniversary date; provide a 25% key employee discrimination worksheet and a 55% average benefits discrimination worksheet for dependent daycare, if applicable; provide compliance assistance in interpreting the IRS regulations governing cafeteria plans, and furnish a semi-annual newsletter outlining any changes to sections of the tax code impacting on cafeteria plans and other pertinent information. Copies of the laws and regulations governing cafeteria plans are provided on request.

As the plan sponsor/plan administrator, it is your responsibility, among other things, to prepare and file any required reports for the underlying welfare benefit plans, prepare and distribute a summary plan description to employees, provide COBRA, FMLA or HIPAA administration, verify that all benefits provided by other carriers in the plan are qualified for tax-exemption, assure that the plan is not discriminatory, and calculate imputed tax for employer-provided (Section 79) group term life coverage exceeding \$50,000, whether outside a cafeteria plan or being salary-reduced within a cafeteria plan. A copy of the Section 79 Uniform Table Calculation is attached.

Some important reminders:

- **You must have an executed written cafeteria plan document meeting the legal requirements of Internal Revenue Code Section 125 and formally adopted by the employer.** The plan must contain operating rules covering benefit descriptions, eligibility rules, manner of employer contributions, maximum amount of employer and employee contributions, the plan year, timing of participant elections and the irrevocability of participant elections. In addition, the plan cannot discriminate in favor of highly compensated employees or key employees either as to eligibility to participate or in contributions and benefits.
- **If your plan provides either eligibility requirements or contributions and benefits that are not the same for all eligible employees it may be considered to be discriminatory. Please seek advice from your tax or legal counsel.**
- If you did not specify the amount of non-elective employer contributions provided under your Section 125 plan, we will use special wording in that portion of your plan document. It will read as follows:

"The Employer may at its sole discretion provide a non-elective contribution to provide benefits for each Participant under the Plan. This amount will be set by the Employer each Plan Year in a uniform and non-discriminatory manner. The amount of such contribution, if any, will be set forth in the enrollment materials. If the non-elective contribution exceeds the cost of benefits elected by the Participant, excess amounts (will) (will not) be paid to the Participant as taxable cash."

Specifying non-elective employer contributions is a statutory requirement under the Code Section 125 regulations. Therefore, if these contributions are not specified in the Plan

Document, you must include the dollar amount of employer contributions in the enrollment materials.

- **In order to avoid the doctrine of constructive receipt, elections of pre-tax benefits must be made prior to the anniversary date of the plan.** All employees should sign either an affirmative election, or a statement that they are not making any changes for the coming plan year, and if waiving participation, should sign a waiver. Mid-year election changes are only allowed if (1) a qualified event has occurred and (2) the change requested is on account of and consistent with the event. A change verification form should be signed by the employee (see the Administration Guide for further guidance). Election forms must be maintained for a period of at least three years for audit purposes, and longer if you are subject to ERISA regulations. ERISA regulations require that records be maintained for a period of at least six years plus the current year; the plan document and any amendments thereto must be maintained permanently.

If your Section 125 cafeteria plan includes flexible spending accounts, the following may clarify frequent areas of concern:

- Changes in the Unreimbursed Medical (Health FSA) Account – If the Employer has subscribed to American Fidelity's uniform coverage risk policy, Health FSA participants will not be allowed to make any mid-year changes to their election for any reason except for termination of employment. No other change of status will be accepted. If the Employer is assuming the uniform coverage risk, certain mid-year changes may be permitted. Please refer to the Section 125 Administration Guide for more information.
- Leave of Absence (LOA) – During an unpaid leave of absence, contributions to the Health FSA account may either be pre-taxed in advance prior to the LOA, made on an after-tax basis while out on leave, or upon return to work, may be prorated over the remaining pay periods. Contributions must continue in order for coverage to continue.
- Options at Termination of Employment – Terminating participants in the Health FSA must be offered COBRA, as follows: if the employer makes no contributions to the Health FSA and if the employee is exempt from HIPAA (has other medical coverage), then you are only required to offer COBRA through the end of the cafeteria plan year. As of the date of termination, if the employee has taken more out of the account than he has contributed, then you do not have to offer any COBRA coverage.

Please refer to the administration guide included in the document binder for more information. Once again we look forward to assisting you with your Section 125 plan. Please call us at 1-800-437-1011 ext. 7038 any time you have questions.

Sincerely,
The Section 125 Administration Department

STATEMENT OF TERMS AND CONDITIONS

**FLEX SPENDING ACCOUNT RECORDKEEPING
BY
AMERICAN FIDELITY ASSURANCE COMPANY**

CITY OF BIGGS

RKA0111

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PREAMBLE

This Statement of Terms and Conditions of Flex Spending Account Recordkeeping will be effective as of the date of the first remittance of flexible spending account contributions for the Plan Sponsor/Employer's (the "Employer") plan, and covers the services provided by American Fidelity Assurance Company (the "Recordkeeper") for the Employer's Section 125 Flexible Benefit Plan (the "Plan").

ARTICLE I

DEFINITIONS

Capitalized terms used herein and not otherwise defined herein shall have the same meaning as set forth in the Plan. The masculine gender shall include both sexes; the singular shall include plural and the plural the singular, unless the context otherwise requires.

1.01 "Account" shall mean the account established by the Recordkeeper on behalf of the Employer from which benefits are to be paid in accordance with the terms of the Plan and this Statement of Terms and Conditions.

1.02 "Plan Administrator" shall mean the Employer or its appointed delegate, which includes the person, persons or group appointed to act as Administrator under the Plan.

1.03 "Terms" shall mean this Statement of Terms and Conditions of the Flex Spending Account Recordkeeping, as set forth herein, with any and all further supplements and amendments thereto, which supplements and amendments shall be effective as to Employer upon written notice to Employer.

1.04 "Code" shall mean the Internal Revenue Code of 1986, as amended from time to time, and successor tax laws.

1.05 "Employer" shall mean the Plan Sponsor/Employer and its successors.

1.06 "Participant" shall mean an Employee of an Employer who participates in the Plan under the participation provisions thereof. For purposes of the medical expense reimbursement account, "Participant" does not include Employees who participated during the current plan year, left the plan by discontinuing contributions to the plan, and who then are rehired.

1.07 "New Participant" shall mean an Employee newly hired during the plan year and who has not previously participated in the flexible spending accounts during the current plan year.

1.08 "Plan" shall mean the Employer's Section 125 Flexible Benefit Plan as hereafter amended from time to time.

1.09 “Policy” shall mean the medical expense reimbursement insurance risk coverage contract issued to the Employer by American Fidelity Assurance Company. The Employer has either (a) applied for coverage under the Policy and the Trust Subscription Agreement, as required by the Recordkeeper, has been submitted to the Recordkeeper (See Article VII for limitations of election), (b) not applied for the Policy and will assume the uniform coverage risk for the medical expense reimbursement and has signed and submitted a Flexible Spending Account Agreement), or (c) has not submitted any signed Agreement because the Plan either does not include medical expense reimbursement and only includes dependent daycare reimbursement.

1.10 “Recordkeeper” shall mean American Fidelity Assurance Company as duly appointed by the Employer pursuant to the terms of the Plan.

ARTICLE II

POWERS AND DUTIES OF THE RECORDKEEPER

2.01 Recordkeeper. The Recordkeeper shall provide the recordkeeping and other ministerial services as the Recordkeeper appointed by the Employer as such under the terms of the Plan. The duties of the Recordkeeper shall be only as provided under this Statement of Terms and Conditions, the Policy, or as otherwise agreed to, in writing, by the Recordkeeper.

2.02 Powers of the Recordkeeper. The Recordkeeper shall have such powers as are necessary for the proper payment of claims for medical expense reimbursement and dependent care expense reimbursement benefits under the Plan, including, but not limited to, the following:

(a) To prescribe procedures to be followed by Participants in filing applications for benefits under the Plan and for furnishing evidence necessary to establish their rights to benefits under the Plan;

(b) To apply the provisions of the Plan (including the provision allowing no election changes by participants for the medical expense reimbursement account during the plan year unless otherwise agreed to in writing by the Employer and the Recordkeeper) as interpreted by the Plan Administrator in determining the rights of any Participant who applies for benefits under the Plan and to notify any such Participant of any such determination;

(c) To obtain from the Employer, Participants, and others, information as shall be necessary for proper accounting of expense reimbursement benefit payments made pursuant to the terms of the Plan, the Policy, and the directions of the Plan Administrator; and

(d) To receive from and hold on behalf of the Plan Administrator those sums of monies in the Account as determined by the Plan Administrator which (i) represent contributions made under the Plan (by Participants or the Employer) and

(ii) will be held and administered in accordance with the Plan, the Policy and this Statement of Terms and Conditions to pay benefits (or to be returned to the Employer).

Provided, the foregoing notwithstanding, the Recordkeeper shall have no power to add to or subtract from or to modify any of the provisions of the Plan, or to change or add to any benefit provided in the Plan.

2.03 Claim Procedure. The Recordkeeper shall pay or deny claims for reimbursement of medical expenses and dependent care expenses in accordance with the terms of the Plan, where applicable. The Recordkeeper shall refer to the Plan Administrator any request for review of a denial of benefits pursuant to the provisions of the claim procedures set forth in the Plan. In accordance with the terms of the Plan, the Plan Administrator (and not the Recordkeeper) shall have the final and absolute authority to determine the validity of claims and whether claims should be paid or denied. Claims will be retained by the Recordkeeper for a period of six years plus the current year, after which they will be purged.

No reimbursement will be made to the participant under the dependent day care and/or medical expense reimbursement account until the first contribution is received from the employer and posted to the participant's account.

2.04 Debit Card Procedure. The Recordkeeper shall pay or deny claims in the event that the Employer elects to allow the use of debit cards ("Debit Cards") for reimbursement of Eligible Medical Expenses under the Medical Expense Reimbursement Plan, in accordance with Section 8.05 of the Plan.

2.05 Duties of the Recordkeeper. The Recordkeeper shall provide the following recordkeeping services to the Plan Administrator:

(a) At the direction of the Plan Administrator, make expense reimbursement benefit payments from the Account to or for the benefit of Participants entitled to such benefits under the Plan;

(b) Provide to the Plan Administrator by January 15 of each year, if requested, annual statements of monies from Participants received and posted who participated in the Dependent Care Expense Plan as set forth in the Plan during the preceding calendar year;

(c) Prepare a monthly reconciliation of allocations and expense reimbursement benefit payments made from the Account, if requested;

(d) Return unused reimbursement amounts which may be due to the Employer under the terms of the Plan and the Policy on a timely basis following the runoff period after the end of the Plan year.

ARTICLE III

RESPONSIBILITIES OF EMPLOYER AS PLAN ADMINISTRATOR

3.01 Responsibilities Concerning Recordkeeper. The Employer shall take the following actions in connection with its delegation of recordkeeping duties to the Recordkeeper:

- (a) Deliver to the Recordkeeper all contributions (both by Participants and the Employer) received by the Employer under the Plan;
- (b) Provide any and all cost, claims, contribution and participation information in the format and frequency that the Recordkeeper determines is necessary to perform its recordkeeping duties;
- (c) Interpret the Plan and provide written directions to the Recordkeeper concerning (i) the proper interpretation of the terms of the Plan or any expense reimbursement provision thereunder and (ii) payment of benefits; and
- (d) Complete and file an annual 5500 report, if necessary.

3.02 Indemnification of Recordkeeper. Notwithstanding any other provision of this Statement of Terms and Conditions or the Policy, the Employer agrees to indemnify and hold the Recordkeeper harmless from and against any liability, damage, expense (including attorney fees) or cost that it may incur in serving as Recordkeeper under this Statement of Terms and Conditions, including but not limited to any claim arising from damage experienced by the Employer, the Plan Administrator or a Participant in connection with the adoption or maintenance or administration of the Plan, unless arising from the Recordkeeper's own negligent or willful breach of the provisions of this Statement of Terms and Conditions.

ARTICLE IV

ESTABLISHMENT OF ACCOUNTS

4.01 Account to Hold Contributions. Pursuant to the Plan and Policy, the Employer is required to collect contributions. The Employer does not desire to retain physical custody of such contributions and has requested that the Recordkeeper hold and administer such contributions as agent of the Employer, for the benefit of the Participants in the Plan. Accordingly, the Employer hereby requests the Recordkeeper to establish the Account for and on behalf of the Employer and the Participants in the Plan. In accordance with the terms and provisions of the Plan, the Employer shall collect and remit to the Recordkeeper all amounts collected by it under the Plan. All amounts received by the Recordkeeper will be credited to the Account which has been established in the name of the Employer by the Recordkeeper. The Employer will deliver all such contributions as soon as reasonably possible following receipt by the Employer in accordance with the terms of the Plan in order that such amounts may be available to pay benefits. No credits for adjustments on previous billings are allowed; any necessary adjustment will be resolved separately from the monthly contributions upon written agreement between Employer and Recordkeeper.

4.02 Account to Remain Property of the Employer. All contributions to the Account (and the Account itself) shall be deemed to be and remain the exclusive property of the Employer until payment of benefits has occurred. The Recordkeeper shall have no proprietary interest in or title to any amounts held in the Account, its duties hereunder being solely to administer the Account for and on behalf of the Employer and the Participants in accordance with the terms and provisions of the Plan and this Statement of Terms and Conditions. Further, the Account shall in no manner whatsoever be considered as a trust or other similar entity.

4.03 Status of Recordkeeper. The duties of the Recordkeeper hereunder shall be performed in its capacity as the agent of the Employer for the purposes of administering the Account. Due solely to the fact that the Recordkeeper is administering the Account for and on behalf of the Employer, this fact in no manner whatsoever should be considered as a guarantee to either the Employer or the Participants that all funds which need to be made available for the payment of benefits under the plan are in the Account. The Recordkeeper does not warrant payment of any amounts otherwise due to be paid under the Plan except with respect to those amounts which the Employer has delivered to the Recordkeeper for payment of benefits as provided under the Plan and the Policy. The maximum amount of reimbursement elected by a Participant under the medical expense reimbursement account is available at all times during the period of coverage, as required under Prop. Treas. Reg. Section 1.125-5(d).

4.04 Account Not to Earn Interest. The Employer has specifically requested of and the Recordkeeper has agreed that the contributions will not be maintained in interest bearing accounts or investments; accordingly, the contributions held in the Account will be held only in non-interest bearing accounts and investments.

ARTICLE V

TERM OF STATEMENT OF TERMS AND CONDITIONS

5.01 Termination. Unless earlier terminated pursuant to the provisions of 5.02, this Statement of Terms and Conditions shall remain in effect for one Plan year following the effective date. At the end of one Plan year, this Statement of Terms and Conditions will continue in full force and effect until terminated. Further, this Statement of Terms and Conditions will automatically terminate upon termination of the Plan if the Employer certifies to the Recordkeeper that no further benefits are to be paid to Participants. In the event of termination of this Statement of Terms and Conditions, any and all amounts held in the Account will be returned to the Employer in accordance with the terms of the Policy, and the Employer will then be solely responsible for the performance of the duties otherwise required to be performed by the Recordkeeper hereunder or under the Plan.

5.02 Termination Upon Written Notice. This Statement of Terms and Conditions may be terminated with or without cause by either party upon no less than thirty (30) days written notice to the other party. In addition, the Statement of Terms and Conditions may be terminated immediately by written notice specifying a termination date by any party should any of the following events occur: (a) a party fails to comply with the Statement of Terms and Conditions, or

(b) an act of dishonesty or fraud is committed by any party, or (c) any other reason deemed by American Fidelity to be a legitimate business reason. If American Fidelity insures the uniform coverage risk, the risk policy will also terminate and all risk reverts back to the Employer. This would include instances where the Employer consolidates with another entity during the plan year and does not allow the flexible spending accounts to run the full length of the plan year. If American Fidelity's recordkeeping services are terminated, or if Employer terminates either the Section 125 Plan or the flexible spending accounts, a runoff period will only be honored if Employer immediately provides funds to pay any outstanding claims.

ARTICLE VI

FEES FOR SERVICES

6.01 Fees. In consideration of the Recordkeeper performing the services described herein for the Employer, the Employer will pay a fee of **\$0.00** per month for participation in one or both flexible spending accounts for each Participant in the Plan during such month. Payment of all required fees will be made each month during the term of this Statement of Terms and Conditions following the month in which such services are performed. If the debit card is allowed by the Employer in the Medical Expense Reimbursement Account, there will be an additional fee of **\$0** per month per participant electing the debit card.

ARTICLE VII

EXCEPTION TO ELECTION CHANGES

7.01 Exception to Election Changes. If the employer applies for the Medical Expense Reimbursement Policy, Participants may not make election changes under said Policy except in the case of termination of employment unless otherwise agreed to in writing by Employer and Recordkeeper, or otherwise stipulated by amendment to this Statement of Terms and Conditions. This stipulation does not affect election changes under a dependent care account.

ARTICLE VIII

COMPLIANCE WITH HIPAA REQUIREMENTS AS A BUSINESS ASSOCIATE OF THE EMPLOYER

8.01 Recordkeeper as Business Associate. In connection with Recordkeeper's performance of services pursuant to this Statement of Terms and Conditions, Recordkeeper may create, receive or have access to Protected Health Information. Since HIPAA regulates the use and disclosure of Protected Health Information ("PHI"), Employer and Recordkeeper want to address

and ensure in this Article VIII their respective compliance with HIPAA's applicable business associate provisions and requirements in connection with the services performed under this Statement of Terms and Conditions. Wherever the term "Employer" is used in this Article VIII, it shall mean "Plan Administrator" and "Employer", as those terms are defined in Paragraphs number 1.02 and 1.05 of this Statement of Terms and Conditions.

8.02 Definitions. When used in this Article VIII, the following terms shall have the meanings specified adjacent to them:

- (a) "ARRA" means the American Recovery and Reinvestment Act of 2009.
- (b) "Breach" means the acquisition, access, use, or disclosure of PHI in a manner not permitted under 45 C.F.R., Part 164, Part E, which compromises the security or privacy of the PHI.
- (c) "Breach Notification Rule" means the regulations set forth at 45 C.F.R. Part 164, Subpart D, as hereafter amended, which implement the Breach notification requirements set forth in HIPAA.
- (d) "Data Aggregation," "Designated Record Set," "Secretary" and "Standard Transaction" shall each have the meaning provided for that term in HIPAA.
- (e) "Electronic PHI" means any information that comes within or satisfies the definition of "protected health information" at 45 C.F.R. §160.103, and is disclosed to, or created, obtained, maintained or received in electronic media by Recordkeeper in connection with, or in any manner related to, Recordkeeper's performance of services pursuant to this Statement of Terms and Conditions, or otherwise for or on behalf of Employer or any Plan.
- (f) "HIPAA" means the Health Insurance Portability and Accountability Act of 1996, and all rules and regulations promulgated thereunder, as either or both are amended and revised from time to time.
- (g) "Law" means any and all statutes, legislation, rules, regulations, codes, laws, orders, decrees, decisions, and ordinances enacted, issued or promulgated by any federal, state or local governmental authority, agency, body, commission, board, court or legislature.
- (h) "Person" means any natural person, corporation, limited liability company, partnership, trust, or other legal entity or organization.
- (i) "Plan" means all individual or group health plans, cafeteria plans, and similar employee benefit plans sponsored by the Employer that provide, reimburse or pay the cost of medical care or similar services and to which Recordkeeper now or hereafter provides services.

- (j) “Privacy Rule” means the regulations set forth at 45 C.F.R. Part 160 and Part 164, subparts A and E, as hereafter amended, which implement the privacy requirements set forth in the Administrative Simplification provisions of HIPAA.
- (k) “Protected Health Information” or “PHI” shall mean any information constituting “protected health information,” as that term is defined in HIPAA, that is disclosed to, or created, obtained, maintained or received by, Recordkeeper in connection with or in any manner related to, Recordkeeper’s performance of services pursuant to this Statement of Terms and Conditions, or otherwise for or on behalf of Employer or any Plan.
- (l) “Secretary” means the Secretary of Health and Human Services, or his or her duly authorized designee.
- (m) “Security Incident” has the same meaning as the term “security incident” in 45 C.F.R. §164.304.
- (n) “Security Rule” means the regulations set forth at 45 C.F.R. Part 164, subpart C, as hereafter amended, which implement the security requirements set forth in the Administrative Simplification provisions of HIPAA.

8.03 Use and Disclosure. Recordkeeper shall neither use nor disclose PHI except as provided in this Article or permitted by applicable law. Except as otherwise specified in this Article, Recordkeeper may make any and all uses of PHI that are reasonably necessary to perform its undertakings with respect to the services under this Statement of Terms and Conditions. Neither Employer nor any Plan shall request Recordkeeper to use or disclose PHI in any manner that would violate HIPAA.

8.04 Further Limitations or Restrictions. Recordkeeper shall also comply with all further limitations and restrictions on the privacy or any use or disclosure of PHI agreed by Employer or any Plan in accordance with 45 C.F.R. §164.522 to the extent they may affect Recordkeeper’s use or disclosure of PHI provided that Recordkeeper has received prior written notification of those limitations and restrictions from Employer or the applicable Plan. Neither Employer nor any Plan will commit Recordkeeper to any such limitations or restrictions, including, but not limited to, restrictions on the use or disclosure of PHI as provided for or limitations in 45 C.F.R. §164.522, unless those limitations or restrictions are required by applicable law or, in all other instances, without first obtaining Recordkeeper’s written approval, which approval will not be unreasonably withheld or delayed. Employer shall immediately notify Recordkeeper of any changes in, or revocation of, any authorization or consent of any participant of or beneficiary under any Plan with respect to the use or disclosure of PHI, to the extent same may affect Recordkeeper.

8.05 Use for Management and Administration. Recordkeeper may use PHI as necessary for the proper management and administration of Recordkeeper or to carry out the legal responsibilities of Recordkeeper. Recordkeeper may disclose PHI as necessary for the proper

management and administration of Recordkeeper or to carry out the legal responsibilities of Recordkeeper if (a) the disclosure is required by law or (b) prior to the disclosure, Recordkeeper obtains a binding written agreement from each Person to whom Recordkeeper will disclose the PHI which provides that each such Person will (i) hold the PHI in confidence and use or further disclose the PHI only as required by law or for the lawful purpose for which Recordkeeper disclosed it to the Person, and (ii) notify Recordkeeper of each instance of which the Person becomes aware in which the confidentiality of the PHI is breached and/or a Security Incident occurs.

8.06 Other Services. Recordkeeper may use PHI, as permitted by HIPAA, to provide Data Aggregation services relating to the health care operations of Employer or any Plan as permitted under HIPAA. Recordkeeper may use PHI to report a violation of Law to the Secretary in accordance with HIPAA.

8.07 Safeguards. Recordkeeper will use appropriate, commercially reasonable safeguards to ensure the confidentiality of PHI permitted under this Statement of Terms and Conditions. Recordkeeper will implement administrative, physical and technical safeguards that reasonably and appropriately protect the confidentiality, integrity and availability of the Electronic PHI that Recordkeeper creates, receives, maintains or transmits on behalf of Employer or any Plan. Recordkeeper shall promptly notify Employer in writing after Recordkeeper has actual knowledge of any use or disclosure of PHI not permitted by this Article. Recordkeeper's obligation to protect the privacy of the PHI it created or received for or from Employer will be continuous and survive the termination of the Statement of Terms and Conditions. Recordkeeper will report to the applicable Plan and Employer any Security Incident of which it becomes aware.

8.08 Assignment. In each instance that Recordkeeper provides PHI to any agent, subcontractor, assignee or delegatee and/or assigns or delegates (if such assignment or delegation is permitted hereunder) any of its undertakings with respect to the services under this Statement of Terms and Conditions to any other Person, then Recordkeeper shall obtain a binding written agreement from each such agent, subcontractor, assignee and delegatee requiring that Person to comply with the provisions of this Article with respect to the use, disclosure and safeguarding of PHI including, without limitation, the implementation of reasonable and appropriate safeguards to protect Electronic PHI and the reporting of Security Incidents involving such Person of which such Person becomes aware.

8.09 Standard Transactions. If Recordkeeper conducts in whole or in part any Standard Transaction for or on behalf of Employer or any Plan, Recordkeeper will comply, and Recordkeeper will require any of its subcontractors or agents involved with the conduct of such Standard Transaction to comply, with each applicable requirement of HIPAA as respects that Standard Transaction, as follows:

- (a) When either party provides, transmits or exchanges data and information electronically to the other party with respect to any Plan, that party shall transfer the data and information in the code sets, data elements, and formats reasonably specified by Recordkeeper. To the extent required by HIPAA, Recordkeeper shall only specify and use the code sets, data elements and formats that comply with HIPAA. All electronic transmissions between the parties shall be to the address provided by the receiving

party to the transmitting party. Plan Administrator authorizes Recordkeeper to submit such data and information to Plan Administrator in the specified electronic format after completion of successful testing thereof. If Plan Administrator is unable or unwilling to transfer data in the specified legal electronic format proposed by Recordkeeper, then Recordkeeper shall be under no obligation to receive or transmit data in any other format.

- (b) Recordkeeper shall use its reasonable efforts to provide Plan Administrator with at least sixty (60) days' prior written notice of any proposed change by Recordkeeper to any code sets, data elements or segments, and formats then being used by the parties hereto for purposes of the electronic exchange of data and information concerning any Plan.
- (c) Each party will take reasonable measures to ensure that its data transmissions concerning the Policy or containing any PHI are timely, accurate, complete, and secure, and will take reasonable precautions to prevent unauthorized access to the other party's data transmission or operating system. If either party receives data from the other party that was not intended for it, the receiving party will immediately notify the sender to arrange for, at the sender's sole election, the return, re-transmission or destruction of that data.
- (d) Each party will obtain and maintain, at its own expense, its own operating system necessary for timely, complete, accurate, and secure data transmission pursuant to this Statement of Terms and Conditions. Each party will pay its own costs related to data transmission under this Statement of Terms and Conditions, including, without limitation, charges for the party's own operating system equipment, software and services, maintaining an electronic mailbox, connection time, terminals, connections, telephones, internet service providers, modems, and applicable minimum use charges, except as otherwise provided in this Statement of Terms and Conditions or any other agreement between the parties. Each party will be responsible for its own expenses incurred in connection with translating, formatting, and sending or receiving communications over the electronic network to any electronic mailbox of the other party, except as otherwise provided in this Statement of Terms and Conditions or any other agreement between the parties.
- (e) Each party will provide the other party with all information (including, without limitation, access and security codes) reasonably necessary to allow access to the other party's operating system in order to successfully complete data transmissions and satisfy the transmission and security requirements provided in this Statement of Terms and Conditions. Each party shall test, and cooperate with the other party in testing, each party's operating system to reasonably ensure the accuracy, timeliness, completeness, and confidentiality of each data transmission made in connection with any Plan.
- (f) Each party shall use its reasonable efforts in accordance with prudent business practices to provide uninterrupted access to the operating system of the other party for purposes of electronic transmissions concerning any Plan.

- (g) The parties shall use their good faith efforts to incorporate herein such applicable requirements of HIPAA that are hereafter adopted concerning the privacy, security, standardization or encryption of electronic data transmissions involving any Plan.

8.10 Access. Upon Employer's reasonable written request, Recordkeeper will make available to Employer or, at Employer's direction, to an individual participant in any Plan (or the individual's personal representative) any PHI (in its possession or under its reasonable control) concerning the individual in a Designated Record Set for his or her inspection and obtaining copies for so long as the PHI is so maintained by Recordkeeper. The PHI shall be made available in the format requested by the individual, unless the PHI is not readily producible in such format, in which case it shall be produced in a readable hard copy format. Recordkeeper shall have the right to charge the individual a reasonable cost-based fee, as permitted by 45 C.F.R. §164.524. Recordkeeper does not assume any obligation to coordinate access to PHI maintained by other business associates of Employer or any Plan. Recordkeeper shall make its internal policies, procedures, practices, books and records relating to its safeguarding, use or disclosure of PHI available to the Secretary, in a time and manner reasonably designated by the Secretary for purposes of determining Employer or any Plan's compliance with HIPAA.

8.11 Amendment of PHI. Upon Employer's request, Recordkeeper will promptly amend, or provide Employer with reasonable access to promptly amend, any portion of the PHI or any record in a Designated Record Set in accordance with 45 C.F.R. §164.526 for as long as the PHI is maintained in a Designated Record Set in the possession or under the reasonable control of Recordkeeper.

8.12 Accounting. Recordkeeper will maintain a record for each disclosure of PHI, which is not excepted from disclosure accounting under HIPAA, including, without limitation, 45 C.F.R. §164.528, that Recordkeeper makes to any Person. That record shall include all information that Employer would be required under HIPAA to respond to a request by a participant in any Plan (or his or her personal representative) for an accounting of disclosures of PHI in accordance with HIPAA, including, without limitation, the information required by 45 C.F.R. §164.528(b)(2).

8.13 Breach of Obligations. If Employer determines that Recordkeeper has breached the provisions of this Article in any material respect and Recordkeeper has not remedied or cannot remedy that breach within fifteen (15) days after its receipt of written notification thereof from Employer, Employer may terminate the recordkeeping arrangement and this Statement of Terms and Conditions or, if termination is not feasible, report the breach to the Secretary.

8.14 Return of PHI. Upon termination of the recordkeeping arrangement or this Statement of Terms and Conditions and as to the extent permitted by applicable law and as consistent with its other obligations and undertakings provided in this Article, Recordkeeper will, if feasible, return to Employer or destroy all PHI that Recordkeeper still maintains in any form, including all copies of any data or compilations derived from and allowing identification of any individual who is a subject of the PHI. Recordkeeper will complete such return or destruction as promptly as possible. Recordkeeper will identify the conditions that make the return or destruction of any PHI infeasible and any PHI that Recordkeeper cannot feasibly return to Employer or destroy. Recordkeeper will limit its further use or disclosure of that PHI to those purposes that make its

return or destruction of that PHI infeasible, and extend the safeguards and protections of this Statement of Terms and Conditions to that PHI.

8.15 Compliance By Employer. As between Employer and Recordkeeper, Employer shall be solely responsible for compliance with the applicable plan sponsor disclosure rules of 45 C.F.R. §164.504(f) and other requirements of HIPAA applicable to Employer as the sponsor and/or administrator of any Plan. As between a Plan and Recordkeeper, such Plan shall be solely responsible for its compliance with the applicable obligations and requirements under HIPAA applicable to that Plan as a covered entity. To the extent that Recordkeeper provides PHI (other than “summary health information,” within the meaning of 45 C.F.R. §164.504(a), or enrollment information) to Employer in connection with the services performed under this Statement of Terms and Conditions or otherwise, Employer will ensure compliance with the requirements of HIPAA including 45 C.F.R. §164.504(f) with respect to that PHI. To the extent that Employer is relying upon the “summary health information” exception to the foregoing plan sponsor disclosure requirements, Employer will ensure, consistent with the provisions of 45 C.F.R. §164.504(f)(ii), that the information in question meets the requirements of that definition and that the information is sought for the purpose of obtaining premium bids or for modifying, amending or terminating the group health plan or any other legally permissible purpose.

8.16 Amendments to HIPAA. Upon the effective date of any final regulation or amendment to HIPAA that conflicts with any term of this Article or which imposes any requirement, condition or obligation upon Recordkeeper, Employer or any Plan concerning the subject matter hereof that is not imposed by this Article, then this Article will be automatically amended to incorporate the applicable terms and conditions of that regulation or amendment such that this Article contractually imposes those terms upon the party or parties hereto to which they apply. Any ambiguity in this Article shall be resolved in favor of a meaning that results in the parties complying with HIPAA.

8.17 Effective Date. This Article shall be effective on the effective date of this Statement of Terms and Conditions, except with respect to the applicable requirements of the HIPAA security standards for the protection of Electronic PHI set forth at Subpart C of Part 164 of Title 45 of the Code of Federal Regulations, which shall be effective on the later of the effective date of this Statement of Terms and Conditions or April 20, 2005. The Employer or any Plan’s engagement of Recordkeeper to perform any services during which Recordkeeper may create or have access to PHI shall constitute Employer and that Plan’s acceptance of, and agreement to, all the terms and provisions of this Article.

8.18 ARRA Compliance. Recordkeeper acknowledges and agrees, as of the applicable effective dates for such provisions, Recordkeeper shall comply with each provision of the American Recovery and Reinvestment Act of 2009 (“ARRA”) that extends HIPAA Privacy or Security Rule requirements to Business Associates of Covered Entities. The term “Business Associate” and “Covered Entity” shall have the meanings given such terms at 45 C.F.R. § 160.103.

8.19 Compliance with Breach Notification Rule. Recordkeeper shall report any Breach to Employer and Plan as soon as possible, but in no event later than 30 days after Recordkeeper becomes aware of any Breach. Recordkeeper shall, at the direction of the Plan,

cooperate and assist in investigating the Breach, performing a risk assessment, determining whether the Breach is reportable under the Breach Notification Rule, and taking steps to minimize any adverse consequences resulting from the Breach. Recordkeeper shall take appropriate disciplinary action against any of its employees that were involved in the Breach. Recordkeeper shall not report the Breach to any individual, the Secretary or the media and shall keep the investigation strictly confidential. The Plan shall make the determination of whether the Breach is a reportable Breach under the Breach Notification Rule and shall comply with applicable reporting requirements.

SECTION IX

MISCELLANEOUS

9.01 Action by the Employer. Whenever under the Statement of Terms and Conditions the Employer is permitted or required to do or perform any act or thing, it shall be done and performed by an officer or a proper authority of the Employer.

9.02 Notices. All notices, advice, direction or reports required or permitted to be given under this Statement of Terms and Conditions shall be in writing and shall be mailed postage prepaid or delivered by hand and acknowledged by signed receipt, addressed as follows:

To Recordkeeper:

American Fidelity Assurance Company
AWD Section 125 Administration
2000 Classen Center
P O Box 268887
Oklahoma City, OK 73125-0640

To Employer at last known address

9.03 Applicable Law. The provisions of this Statement of Terms and Conditions shall be construed, administered, and enforced according to the laws of the State of Oklahoma.

9.04 Amendment. This Statement of Terms and Conditions may be amended by Recordkeeper by written notice to Employer.

9.05 Titles. The title of the Articles and Paragraphs hereof are included for convenience only and shall not be construed as a part of this Statement of Terms and Conditions or in any respect affecting or modifying its provisions.

9.06 Severability. If any provision or provisions of this Statement of Terms and Conditions shall be held illegal or invalid for any reason, said illegality or invalidity shall not affect the remaining provisions of this Statement of Terms and Conditions, but shall be fully severable and the Statement of Terms and Conditions shall be construed and enforced as if said illegal or invalid provisions had never been inserted herein.

9.07 Controlling Agreement. This Statement of Terms and Conditions supersedes and replaces any prior agreement between the parties with respect to the subject matter contained herein.

THIS STATEMENT IS NULL AND VOID IF ALTERED IN ANY WAY.

RKA0111

**SAMPLE PLAN DOCUMENT
SECTION 125
FLEXIBLE BENEFIT PLAN**

The attached plan document and adoption agreement are being provided for illustrative purposes only. Because of differences in facts, circumstances, and the laws of the various states, interested parties should consult their own attorneys. This document is intended as a guide only, for use by local counsel.

**SECTION 125 FLEXIBLE BENEFIT PLAN
ADOPTION AGREEMENT**

The undersigned Employer hereby adopts the Section 125 Flexible Benefit Plan for those Employees who shall qualify as Participants hereunder. The Employer hereby selects the following Plan specifications:

A. EMPLOYER INFORMATION

Name of Employer:	CITY OF BIGGS
Address:	P O BOX 307 BIGGS, CA 95917
Employer Identification Number:	94-6000300
Nature of Business:	MUNICIPALITY
Name of Plan:	CITY OF BIGGS Flexible Benefit Plan
Plan Number:	501

B. EFFECTIVE DATE

Original effective date of the Plan:	January 1, 2012
If Amendment to existing plan, effective date of amendment:	N/A

C. ELIGIBILITY REQUIREMENTS FOR PARTICIPATION

Eligibility requirements for each component plan under this Section 125 document will be applicable and, if different, will be listed in Item F.

Length of Service:	first day of the month following employment.
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Minimum Hours:	All employees with 20 hours of service or more each week. An hour of service is each hour for which an employee receives, or is entitled to receive, payment for performance of duties for the Employer.
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Age:	Minimum age of 18 years.
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D. PLAN YEAR

The current plan year will begin on January 1, 2012 and end on December 31, 2012. Each subsequent plan year will begin on January 1 and end on December 31.

E. EMPLOYER CONTRIBUTIONS

Non-Elective Contributions:

The maximum amount available to each Participant for the purchase of elected benefits with non-elective contributions will be:

85% of total medical and dental premium and 100% of total vision premium.

The Employer may at its sole discretion provide a non-elective contribution to provide benefits for each Participant under the Plan. This amount will be set by the Employer each Plan Year in a uniform and non-discriminatory manner. If this non-elective contribution amount exceeds the cost of benefits elected by the Participant, excess amounts will not be paid to the Participant as taxable cash.

**Elective Contributions
(Salary Reduction):**

The maximum amount available to each Participant for the purchase of elected benefits through salary reduction will be:

\$18498.00 per plan year.

Each Participant may authorize the Employer to reduce his or her compensation by the amount needed for the purchase of benefits elected, less the amount of non-elective contributions. An election for salary reduction will be made on the benefit election form.

F. **AVAILABLE BENEFITS:** Each of the following components should be considered a plan that comprises this Plan.

1. **Group Medical Insurance** -- The terms, conditions, and limitations for the Group Medical Insurance will be as set forth in the insurance policy or policies described below: (See Section V of the Plan Document)

**American Fidelity Assurance Company Accident Only Plan and
Hospital Indemnity
CalPERS**

Eligibility Requirements for Participation, if different than Item C.

2. **Disability Income Insurance** -- The terms, conditions, and limitations for the Disability Income Insurance will be as set forth in the insurance policy or policies described below: (See Section VI of the Plan Document)

N/A

Eligibility Requirements for Participation, if different than Item C.

3. **Cancer Coverage** -- The terms, conditions, and limitations for the Cancer Coverage will be as set forth in the insurance policy or policies described below: (See Section V of the Plan Document)

American Fidelity Assurance Company

Eligibility Requirements for Participation, if different than Item C.

4. **Dental/Vision Insurance** -- The terms, conditions, and limitations for the Dental/Vision Insurance will be as set forth in the insurance policy or policies described below: (See Section V of the Plan Document)

**Delta Dental
Vision Service Plan**

Eligibility Requirements for Participation, if different than Item C.

5. **Group Life Insurance** which will be comprised of Group-term life insurance and Individual term life insurance under Section 79 of the Code.

The terms, conditions, and limitations for the Group Life Insurance will be as set forth in the insurance policy or policies described below: (See Section VII of the Plan Document)

N/A

Individual life coverage under Section 79 is available as a benefit, and the face amount when combined with the group-term life, if any, N/A exceed \$50,000.

Eligibility Requirements for Participation, if different than Item C.

6. **Dependent Care Assistance Plan** -- The terms, conditions, and limitations for the Dependent Care Assistance Plan will be as set forth in Section IX of the Plan Document and described below:

Minimum Contribution - \$ **0.00** per Plan Year

Maximum Contribution - \$ **5000.00** per Plan Year

Recordkeeper: **American Fidelity Assurance Company**

Eligibility Requirements for Participation, if different than Item C.

N/A

7. **Medical Expense Reimbursement Plan** -- The terms, conditions, and limitations for the Medical Expense Reimbursement Plan will be as set forth in Section VIII of the Plan Document and described below:

Minimum Coverage - \$ **0.00** per Plan Year

Maximum Coverage - \$ **2400.00** per Plan Year

Recordkeeper: **American Fidelity Assurance Company**

Restrictions:

Grace Period: The provisions in Section 8.06 of the Plan to permit a Grace Period with respect to the Medical Expense Reimbursement Plan **are** elected.

HEART ACT: The provisions in Section 8.07 of the Plan to permit the Qualified Reservist Distribution of the Heroes Earnings Assistance and Relief Tax Act (HEART) **are** elected.

Debit Card: The provisions in Section 8.05 of the Plan to permit the offer of the Debit Card with respect to the Medical Expense Reimbursement Plan **are not** elected.

Eligibility Requirements for Participation, if different than Item C.

N/A

8. **Health Savings Accounts** – The Plan permits contributions to be made to a Health Savings Account on a pretax basis in accordance with Section X of the Plan and the following provisions:

HSA Trustee – N/A

Maximum Contribution – As indexed annually by the IRS.

Limitation on Eligible Medical Expenses – For purposes of the Medical Reimbursement Plan, Eligible Medical Expenses of a Participant that is eligible for and elects to participate in a Health Savings Account shall be limited to expenses for:

N/A

Eligibility Requirements for Participation, if different than Item C.

- a. An Employee must complete a Certification of Health Savings Account Eligibility which confirms that the Participant is an eligible individual who is entitled to establish a Health Savings Account in accordance with Code Section 223(c)(1).
- b. Eligibility for the Health Savings Account shall begin on the later of (i) first day of the month coinciding with or next following the Employee's commencement of coverage under the High Deductible Health Plan, or (ii) the first day following the end of a Grace Period available to the Employee with respect to the Medical Reimbursement Accounts that are not limited to vision and dental expenses (unless the participant has a \$0.00 balance on the last day of the plan year).
- c. An Employee's eligibility for the Health Savings Account shall be determined monthly.

The Plan shall be construed, enforced, administered, and the validity determined in accordance with the applicable provisions of the Employee Retirement Income Security Act of 1974, (as amended) if applicable, the Internal Revenue Code of 1986 (as amended), and the laws of the State of California. Should any provision be determined to be void, invalid, or unenforceable by any court of competent jurisdiction, the Plan will continue to operate, and for purposes of the jurisdiction of the court only, will be deemed not to include the provision determined to be void.

This Plan is hereby adopted this _____ day of _____, 2011.

CITY OF BIGGS
(Name of Employer)

Witness: _____ By: _____

Title: _____ Title: _____

APPENDIX A

Related Employers that have adopted this Plan

Name(s):
N/A

THIS DOCUMENT IS NOT COMPLETE WITHOUT SECTIONS I THROUGH XIII
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SECTION 125 FLEXIBLE BENEFIT PLAN

SECTION I

PURPOSE

The Employer is establishing this Flexible Benefit Plan in order to make a broader range of benefits available to its Employees and their Beneficiaries. This Plan allows Employees to choose among different types of benefits and select the combination best suited to their individual goals, desires, and needs. These choices include an option to receive certain benefits in lieu of taxable compensation.

In establishing this Plan, the Employer desires to attract, reward, and retain highly qualified, competent Employees, and believes this Plan will help achieve that goal.

It is the intent of the Employer to establish this Plan in conformity with Section 125 of the Internal Revenue Code of 1986, as amended, and in compliance with applicable rules and regulations issued by the Internal Revenue Service. This Plan will grant to eligible Employees an opportunity to purchase qualified benefits which, when purchased alone by the Employer, would not be taxable.

SECTION II

DEFINITIONS

The following words and phrases appear in this Plan and will have the meaning indicated below unless a different meaning is plainly required by the context:

- 2.01 **Administrator** The Employer unless another has been designated in writing by the Employer as Administrator within the meaning of Section 3(16) of ERISA (if applicable).
- 2.02 **Beneficiary** Any person or persons designated by a participating Employee to receive any benefit payable under the Plan on account of the Employee's death.
- 2.03 **Code** Internal Revenue Code of 1986, as amended.
- 2.04 **Dependent** Any of the following:
(a) Tax Dependent: A Dependent includes a Participant's spouse and any other person who is a Participant's dependent within the meaning of Code Section 152, provided that, with respect to any plan that provides benefits that are excluded from an Employee's income under Code Section 105, a Participant's dependent (i) is any person within the meaning of Code Section 152, determined without regard to Subsections (b)(1), (b)(2), and (d)(1)(B) thereof, and (ii) includes any child of the Participant to whom Code Section 152(e) applies (such child will be treated as a dependent of both divorced parents).

(b) Student on a Medically Necessary Leave of Absence: With respect to any plan that is considered a group health plan under Michelle's Law (and not a HIPAA excepted benefit under Code Sections 9831(b), (c) and 9832(c)) and to the extent the Employer is required by Michelle's Law to provide continuation coverage, a Dependent includes a child who qualifies as a Tax Dependent (defined in Section 2.04(a)) because of his or her full-time student status, is enrolled in a group health plan, and is on a medically necessary leave of absence from school. The child will continue to be a Dependent if the medically necessary leave of absence commences while the child is suffering from a serious illness or injury, is medically necessary, and causes the child to lose student status for purposes of the group health plan's benefits coverage. Written physician certification that the child is suffering from a serious illness or injury and that the leave of absence is medically necessary is required at the Administrator's request. The child will no longer be considered a Dependent as of the earliest date that the child is no longer on a medically necessary leave of absence, the date that is one year after the first day of the medically necessary leave of absence, or the date benefits would otherwise terminate under either the group health plan or this Plan. Terms related to Michelle's Law, and not otherwise defined, will have the meaning provided under the Michelle's Law provisions of Code Section 9813.

(c) Adult Children: With respect to any plan that provides benefits that are excluded from an Employee's income under Code Section 105, a Dependent includes a child of a Participant who as of the end of the calendar year has not attained age 27. A 'child' for purpose of this Section 2.04(c) means an individual who is a son, daughter, stepson, or stepdaughter of the Participant, a legally adopted individual of the Participant, an individual who is lawfully placed with the Participant for legal adoption by the Participant, or an eligible foster child who is placed with the Participant by an authorized placement agency or by judgment, decree, or other order of any court of competent jurisdiction. An adult child described in this Section 2.04(c) is only a Dependent with respect to benefits provided after March 30, 2010 (subject to any other limitations of the Plan).

Dependent for purposes of the Dependent Care Reimbursement Plan is defined in Section 9.04(a).

2.05 Effective Date

The effective date of this Plan as shown in Item B of the Adoption Agreement.

2.06	Elective Contribution	The amount the Participant authorizes the Employer to reduce compensation for the purchase of benefits elected.
2.07	Eligible Employee	Employee meeting the eligibility requirements for participation as shown in Item C of the Adoption Agreement.
2.08	Employee	Any person employed by the Employer on or after the Effective Date.
2.09	Employer	The entity shown in Item A of the Adoption Agreement, and any Related Employers authorized to participate in the Plan with the approval of the Employer. Related Employers who participate in this Plan are listed in Appendix A to the Adoption Agreement. For the purposes of Section 11.01 and 11.02, only the Employer as shown in Item A of the Adoption Agreement may amend or terminate the Plan.
2.10	Employer Contributions	Amounts that have not been actually received by the Participant and are available to the Participant for the purpose of selecting benefits under the Plan. This term includes Non-Elective Contributions and Elective Contributions through salary reduction.
2.11	Entry Date	The date that an Employee is eligible to participate in the Plan.
2.12	ERISA	The Employee Retirement Income Security Act of 1974, Public Law 93-406 and all regulations and rulings issued thereunder, as amended (if applicable).
2.13	Fiduciary	The named fiduciary shall mean the Employer, the Administrator and other parties designated as such, but only with respect to any specific duties of each for the Plan as may be set forth in a written agreement.
2.14	Health Savings Account	A "health savings account" as defined in Section 223(d) of the Internal Revenue Code of 1986, as amended established by the Participant with the HSA Trustee.
2.15	HSA Trustee	The Trustee of the Health Savings Account which is designated in Section F.8 of the Adoption Agreement.
2.16	Highly Compensated	Any Employee who at any time during the Plan Year is a "highly compensated employee" as defined in Section 414(q) of the Code.
2.17	High Deductible Health Plan	A health plan that meets the statutory requirements for annual deductibles and out-of-pocket expenses set forth in Code section 223(c)(2).
2.18	HIPAA	The Health Insurance Portability and Accountability Act of 1996, as amended.
2.19	Insurer	Any insurance company that has issued a policy pursuant to the terms of this Plan.

2.20	Key Employee	Any Participant who is a "key employee" as defined in Section 416(i) of the Code.
2.21	Non-Elective Contribution	A contribution amount made available by the Employer for the purchase of benefits elected by the Participant.
2.22	Participant	An Employee who has qualified for Plan participation as provided in Item C of the Adoption Agreement.
2.23	Plan	The Plan referred to in Item A of the Adoption Agreement as may be amended from time to time.
2.24	Plan Year	The Plan Year as specified in Item D of the Adoption Agreement.
2.25	Policy	An insurance policy issued as a part of this Plan.
2.26	Preventative Care	Medical expenses which meet the safe harbor definition of "preventative care" set forth in IRS Notice 2004-23, which includes, but is not limited to, the following: (i) periodic health evaluations, such as annual physicals (and the tests and diagnostic procedures ordered in conjunction with such evaluations); (ii) well-baby and/or well-child care; (iii) immunizations for adults and children; (iv) tobacco cessation and obesity weight-loss programs; and (v) screening devices. However, preventative care does not generally include any service or benefit intended to treat an existing illness, injury or condition.
2.27	Recordkeeper	The person designated by the Employer to perform recordkeeping and other ministerial duties with respect to the Medical Expense Reimbursement Plan and/or the Dependent Care Reimbursement Plan.
2.28	Related Employer	Any employer that is a member of a related group of organizations with the Employer shown in Item A of the Adoption Agreement, and as specified under Code Section 414(b), (c) or (m).

SECTION III

ELIGIBILITY, ENROLLMENT, AND PARTICIPATION

3.01 **ELIGIBILITY:** Each Employee of the Employer who has met the eligibility requirements of Item C of the Adoption Agreement will be eligible to participate in the Plan on the Entry Date specified or the Effective Date of the Plan, whichever is later. Dependent eligibility to receive benefits under any of the plans listed in Item F of the Adoption Agreement will be described in the documents governing those benefit plans. To the extent a Dependent is eligible to receive benefits under a plan listed in Item F, an Eligible Employee may elect coverage under this Plan with respect to such Dependent. Notwithstanding the foregoing, life insurance coverage on the life of a Dependent may not be elected under this Plan.

3.02 ENROLLMENT: An eligible Employee may enroll (or re-enroll) in the Plan by submitting to the Employer, during an enrollment period, an Election Form which specifies his or her benefit elections for the Plan Year and which meets such standards for completeness and accuracy as the Employer may establish. A Participant's Election Form shall be completed prior to the beginning of the Plan Year, and shall not be effective prior to the date such form is submitted to the Employer. Any Election Form submitted by a Participant in accordance with this Section shall remain in effect until the earlier of the following dates: the date the Participant terminates participation in the Plan; or, the effective date of a subsequently filed Election Form.

A Participant's right to elect certain benefit coverage shall be limited hereunder to the extent such rights are limited in the Policy. Furthermore, a Participant will not be entitled to revoke an election after a period of coverage has commenced and to make a new election with respect to the remainder of the period of coverage unless both the revocation and the new election are on account of and consistent with a change in status, or other allowable events, as determined by Section 125 of the Internal Revenue Code and the regulations thereunder.

3.03 TERMINATION OF PARTICIPATION: A Participant shall continue to participate in the Plan until the earlier of the following dates:

- (a) The date the Participant terminates employment by death, disability, retirement or other separation from service; or
- (b) The date the Participant ceases to work for the Employer as an eligible Employee; or
- (c) The date of termination of the Plan; or
- (d) The first date a Participant fails to pay required contributions while on a leave of absence.

3.05 SEPARATION FROM SERVICE: The existing elections of an Employee who separates from the employment service of the Employer shall be deemed to be automatically terminated and the Employee will not receive benefits for the remaining portion of the Plan Year.

3.06 QUALIFYING LEAVE UNDER FAMILY LEAVE ACT: Notwithstanding any provision to the contrary in this Plan, if a Participant goes on a qualifying unpaid leave under the Family and Medical Leave Act of 1993 (FMLA), to the extent required by the FMLA, the Employer will continue to maintain the Participant's existing coverage under the Plan with respect to benefits under Section V and Section VIII of the Plan on the same terms and conditions as though he were still an active Employee. If the Employee opts to continue his coverage, the Employee may pay his Elective Contribution with after-tax dollars while on leave (or pre-tax dollars to the extent he receives compensation during the leave), or the Employee may be given the option to pre-pay all or a portion of his Elective Contribution for the expected duration of the leave on a pre-tax salary reduction basis out of his pre-leave compensation (including unused sick days or vacation) by making a special election to that effect prior to the date such compensation would normally be made available to him (provided, however, that pre-tax dollars may not be utilized to fund coverage during the next plan year), or via other arrangements agreed upon between the Employee and the Administrator (e.g., the Administrator may fund coverage during the leave and withhold amounts upon the Employee's return). Upon return from such leave, the Employee will be permitted to reenter the Plan on the same basis the Employee was participating in the Plan prior to his leave, or as otherwise required by the FMLA.

SECTION IV

CONTRIBUTIONS

- 4.01 EMPLOYER CONTRIBUTIONS: The Employer may pay the costs of the benefits elected under the Plan with funds from the sources indicated in Item E of the Adoption Agreement. The Employer Contribution may be made up of Non-Elective Contributions and/or Elective Contributions authorized by each Participant on a salary reduction basis.
- 4.02 IRREVOCABILITY OF ELECTIONS: A Participant may file a written election form with the Administrator before the end of the current Plan Year revising the rate of his contributions or discontinuing such contributions effective as of the first day of the next following Plan Year. The Participant's Elective Contributions will automatically terminate as of the date his employment terminates. Except as provided in this Section 4.02 and Section 4.03, a Participant's election under the Plan is irrevocable for the duration of the plan year to which it relates. The exceptions to the irrevocability requirement which would permit a mid-year election change in benefits and the salary reduction amount elected are set out in the Treasury regulations promulgated under Code Section 125, which include the following:
- (a) Change in Status. A Participant may change or revoke his election under the Plan upon the occurrence of a valid change in status, but only if such change or termination is made on account of, and is consistent with, the change in status in accordance with the Treasury regulations promulgated under Section 125. The Employer, in its sole discretion as Administrator, shall determine whether a requested change is on account of and consistent with a change in status, as follows:
- (1) Change in Employee's legal marital status, including marriage, divorce, death of spouse, legal separation, and annulment;
 - (2) Change in number of Dependents, including birth, adoption, placement for adoption, and death;
 - (3) Change in employment status, including any employment status change affecting benefit eligibility of the Employee, spouse or Dependent, such as termination or commencement of employment, change in hours, strike or lockout, a commencement or return from an unpaid leave of absence, and a change in work site. If the eligibility for either the cafeteria Plan or any underlying benefit plans of the Employer of the Employee, spouse or Dependent relies on the employment status of that individual, and there is a change in that individual's employment status resulting in gaining or losing eligibility under the Plan, this constitutes a valid change in status. This category only applies if benefit eligibility is lost or gained as a result of the event. If an Employee terminates and is rehired within 30 days, the Employee is required to step back into his previous election. If the Employee terminates and is rehired after 30 days, the Employee may either step back into the previous election or make a new election;
 - (4) Dependent satisfies, or ceases to satisfy, Dependent eligibility requirements due to attainment of age, gain or loss of student status, marriage or any similar circumstances; and
 - (5) Residence change of Employee, spouse or Dependent, affecting the Employee's eligibility for coverage.
- (b) Special Enrollment Rights. If a Participant or his or her spouse or Dependent is entitled to special enrollment rights under a group health plan (other than an excepted benefit), as required by HIPAA under Code Section 9801(f) or Section 2701(f) of the Public Health Service Act, then a Participant may revoke a prior election for group health plan coverage and make a new election, provided that the election change corresponds with such HIPAA special enrollment right. As required by HIPAA, a special enrollment right will arise in the following circumstances: (i) a Participant or his or her

spouse or Dependent declined to enroll in group health plan coverage because he or she had coverage, and eligibility for such coverage is subsequently lost because the coverage was provided under COBRA and the COBRA coverage was exhausted, or the coverage was non-COBRA coverage and the coverage terminated due to loss of eligibility for coverage or the employer contributions for the coverage were terminated; (ii) a new Dependent is acquired as a result of marriage, birth, adoption, or placement for adoption; (iii) the Participant's or his or her spouse's or Dependent's coverage under a Medicaid plan or under a children's health insurance program (CHIP) is terminated as a result of loss of eligibility for such coverage and the Participant requests coverage under the group health plan not later than 60 days after the date of termination of such coverage; or (iv) the Participant, his or her spouse or Dependent becomes eligible for a state premium assistance subsidy from a Medicaid plan or through a state children's insurance program with respect to coverage under the group health plan and the Participant requests coverage under the group health plan not later than 60 days after the date the Participant, his or her spouse or Dependent is determined to be eligible for such assistance. An election change under (iii) or (iv) of this provision must be requested within 60 days after the termination of Medicaid or state health plan coverage or the determination of eligibility for a state premium assistance subsidy, as applicable. Special enrollment rights under the health insurance plan will be determined by the terms of the health insurance plan.

- (c) Certain Judgments, Decrees or Orders. If a judgment, decree or order resulting from a divorce, legal separation, annulment or change in legal custody (including a qualified medical child support order [QMCSO]) requires accident or health coverage for a Participant's child or for a foster child who is a dependent of the Participant, the Participant may have a mid-year election change to add or drop coverage consistent with the Order.
- (d) Entitlement to Medicare or Medicaid. If a Participant, Participant's spouse or Participant's Dependent who is enrolled in an accident or health plan of the Employer becomes entitled to Medicare or Medicaid (other than coverage consisting solely of benefits under Section 1928 of the Social Security Act providing for pediatric vaccines), the Participant may cancel or reduce health coverage under the Employer's Plan. Loss of Medicare or Medicaid entitlement would allow the Participant to add health coverage under the Employer's Plan.
- (e) Family Medical Leave Act. If an Employee is taking leave under the rules of the Family Medical Leave Act, the Employee may revoke previous elections and re-elect benefits upon return to work.
- (f) COBRA Qualifying Event. If an Employee has a COBRA qualifying event (a reduction in hours of the Employee, or a Dependent ceases eligibility), the Employee may increase his pre-tax contributions for coverage under the Employer's Plan if a COBRA event occurs with respect to the Employee, the Employee's spouse or Dependent. The COBRA rule does not apply to COBRA coverage under another Employer's Plan.
- (g) Changes in Eligibility for Adult Children. To the extent the Employer amends a plan listed in Item F of the Adoption Agreement that provides benefits that are excluded from an Employee's income under Code Section 105 to provide that Adult Children (as defined in Section 2.04(c)) are eligible to receive benefits under the plan, an Eligible Employee may make or change an election under this Plan to add coverage for the Adult Child and to make any corresponding change to the Eligible Employee's coverage that is consistent with adding coverage for the Adult Child.
- (h) Notwithstanding anything to the contrary in this Section 4.02, the change in election rules in this Section 4.02 do not apply to the Medical Expense Reimbursement Plan, or may not be modified with

respect to the Medical Expense Reimbursement Plan if the Plan is being administered by a Recordkeeper other than the Employer, unless the Employer and the Recordkeeper otherwise agree in writing.

4.03 OTHER EXCEPTIONS TO IRREVOCABILITY OF ELECTIONS. Other exceptions to the irrevocability of election requirement permit mid-year election changes and apply to all qualified benefits except for Medical Expense Reimbursement Plans, as follows:

- (a) Change in Cost. If the cost of a benefit package option under the Plan significantly increases during the plan year, Participants may (i) make a corresponding increase in their salary reduction amount, (ii) revoke their elections and make a prospective election under another benefit option offering similar coverage, or (iii) revoke election completely if no similar coverage is available, including in spouse or dependent's plan. If the cost significantly decreases, employees may elect coverage even if they had not previously participated and may drop their previous election for a similar coverage option in order to elect the benefit package option that has decreased in cost during the year. If the increased or decreased cost of a benefit package option under the Plan is insignificant, the participant's salary reduction amount shall be automatically adjusted.
- (b) Significant curtailment of coverage.
 - (i) With no loss of coverage. If the coverage under a benefit package option is significantly curtailed or ceases during the Plan Year, affected Participants may revoke their elections for the curtailed coverage and make a new prospective election for coverage under another benefit package option providing similar coverage.
 - (ii) With loss of coverage. If there is a significant curtailment of coverage with loss of coverage, affected Participants may revoke election for curtailed coverage and make a new prospective election for coverage under another benefit package option providing similar coverage, or drop coverage if no similar benefit package option is available.
- (c) Addition or Significant Improvement of Benefit Package Option. If during the Plan Year a new benefit package option is added or significantly improved, eligible employees, whether currently participating or not, may revoke their existing election and elect the newly added or newly improved option.
- (d) Change in Coverage of a Spouse or Dependent Under Another Employer's Plan. If there is a change in coverage of a spouse, former spouse, or Dependent under another employer's plan, a Participant may make a prospective election change that is on account of and corresponds with a change made under the plan of the spouse or Dependent. This rule applies if (1) mandatory changes in coverage are initiated by either the insurer of spouse's plan or by the spouse's employer, or (2) optional changes are initiated by the spouse's employer or by the spouse through open enrollment.
- (e) Loss of coverage under other group health coverage. If during the Plan Year coverage is lost under any group health coverage sponsored by a governmental or educational institution, a Participant may prospectively change his or her election to add group health coverage for the affected Participant or his or her spouse or dependent.

4.04 CASH BENEFIT: Available amounts not used for the purchase of benefits under this Plan may be considered a cash benefit under the Plan payable to the Participant as taxable income to the extent indicated in Item E of the Adoption Agreement.

- 4.05 PAYMENT FROM EMPLOYER'S GENERAL ASSETS: Payment of benefits under this Plan shall be made by the Employer from Elective Contributions which shall be held as a part of its general assets.
- 4.06 EMPLOYER MAY HOLD ELECTIVE CONTRIBUTIONS: Pending payment of benefits in accordance with the terms of this Plan, Elective Contributions may be retained by the Employer in a separate account or, if elected by the Employer and as permitted or required by regulations of the Internal Revenue Service, Department of Labor or other governmental agency, such amounts of Elective Contributions may be held in a trust pending payment.
- 4.07 MAXIMUM EMPLOYER CONTRIBUTIONS: With respect to each Participant, the maximum amount made available to pay benefits for any Plan Year shall not exceed the Employer's Contribution specified in the Adoption Agreement and as provided in this Plan.

SECTION V

GROUP MEDICAL INSURANCE BENEFIT PLAN

- 5.01 PURPOSE: These benefits provide the group medical insurance benefits to Participants.
- 5.02 ELIGIBILITY: Eligibility will be as required in Items F(1), F(3), and F(4) of the Adoption Agreement.
- 5.03 DESCRIPTION OF BENEFITS: The benefits available under this Plan will be as defined in Items F(1), F(3), and F(4) of the Adoption Agreement.
- 5.04 TERMS, CONDITIONS AND LIMITATIONS: The terms, conditions and limitations of the benefits offered shall be as specifically described in the Policy identified in the Adoption Agreement.
- 5.05 COBRA: To the extent required by Section 4980B of the Code and Sections 601 through 607 of ERISA, Participants and Dependents shall be entitled to continued participation in this Group Medical Insurance Benefit Plan by contributing monthly (from their personal assets previously subject to taxation) 102% of the amount of the premium for the desired benefit during the period that such individual is entitled to elect continuation coverage, provided, however, in the event the continuation period is extended to 29 months due to disability, the premium to be paid for continuation coverage for the 11 month extension period shall be 150% of the applicable premium.
- 5.06 SECTION 105 AND 106 PLAN: It is the intention of the Employer that these benefits shall be eligible for exclusion from the gross income of the Participants covered by this benefit plan, as provided in Code Sections 105 and 106, and all provisions of this benefit plan shall be construed in a manner consistent with that intention. It is also the intention of the Employer to comply with the provisions of the Consolidated Omnibus Budget Reconciliation Act of 1985 as outlined in the policies identified in the Adoption Agreement.
- 5.07 CONTRIBUTIONS: Contributions for these benefits will be provided by the Employer on behalf of a Participant as provided for in Item E of the Adoption Agreement.
- 5.08 UNIFORMED SERVICES EMPLOYMENT AND REEMPLOYMENT RIGHTS ACT: Notwithstanding anything to the contrary herein, the Group Medical Insurance Benefit Plan shall comply

with the applicable provisions of the Uniformed Services Employment and Reemployment Rights Act of 1994 (Public Law 103-353).

SECTION VI

DISABILITY INCOME BENEFIT PLAN

- 6.01 PURPOSE: This benefit provides disability insurance designated to provide income to Participants during periods of absence from employment because of disability.
- 6.02 ELIGIBILITY: Eligibility will be as required in Item F(2) of the Adoption Agreement.
- 6.03 DESCRIPTION OF BENEFITS: The benefits available under this Plan will be as defined in Item F(2) of the Adoption Agreement.
- 6.04 TERMS, CONDITIONS AND LIMITATIONS: The terms, conditions and limitations of the Disability Income Benefits offered shall be as specifically described in the Policy identified in the Adoption Agreement.
- 6.05 SECTION 104 AND 106 PLAN: It is the intention of the Employer that the premiums paid for these benefits shall be eligible for exclusion from the gross income of the Participants covered by this benefit plan, as provided in Code Sections 104 and 106, and all provisions of this benefit plan shall be construed in a manner consistent with that intention.
- 6.06 CONTRIBUTIONS: Contributions for this benefit will be provided by the Employer on behalf of a Participant as provided for in Item E of the Adoption Agreement.

SECTION VII

GROUP AND INDIVIDUAL LIFE INSURANCE PLAN

- 7.01 PURPOSE: This benefit provides group life insurance benefits to Participants and may provide certain individual policies as provided for in Item F(5) of the Adoption Agreement.
- 7.02 ELIGIBILITY: Eligibility will be as required in Item F(5) of the Adoption Agreement.
- 7.03 DESCRIPTION OF BENEFITS: The benefits available under this Plan will be as defined in Item F(5) of the Adoption Agreement.
- 7.04 TERMS, CONDITIONS, AND LIMITATIONS: The terms, conditions, and limitations of the group life insurance are specifically described in the Policy identified in the Adoption Agreement.
- 7.05 SECTION 79 PLAN: It is the intention of the Employer that the premiums paid for the benefits described in Item F(5) of the Adoption Agreement shall be eligible for exclusion from the gross income of the Participants covered by this benefit plan to the extent provided in Code Section 79, and all provisions of this benefit plan shall be construed in a manner consistent with that intention.

- 7.06 CONTRIBUTIONS: Contributions for this benefit will be provided by the Employer on behalf of a Participant as provided for in Item E of the Adoption Agreement. Any individual policies purchased by the Employer for the Participant will be owned by the Participant.

SECTION VIII

MEDICAL EXPENSE REIMBURSEMENT PLAN

- 8.01 PURPOSE: The Medical Expense Reimbursement Plan is designed to provide for reimbursement of Eligible Medical Expenses (as defined in Section 8.04) that are not reimbursed under an insurance plan, through damages, or from any other source. It is the intention of the Employer that amounts allocated for this benefit shall be eligible for exclusion from gross income, as provided in Code Sections 105 and 106, for Participants who elect this benefit and all provisions of this Section VIII shall be construed in a manner consistent with that intention.
- 8.02 ELIGIBILITY: The eligibility provisions are set forth in Item F(7) of the Adoption Agreement.
- 8.03 TERMS, CONDITIONS, AND LIMITATIONS:
- (a) Accounts. The Reimbursement Recordkeeper shall establish a recordkeeping account for each Participant. The Reimbursement Recordkeeper shall maintain a record of each account on an on-going basis, increasing the balances as contributions are credited during the year and decreasing the balances as Eligible Medical Expenses are reimbursed. No interest shall be payable on amounts recorded in any Participant's account.
 - (b) Maximum benefit. The maximum amount of reimbursement for each Participant shall be limited to the amount of the Participant's Elective Contribution allocated to the program during the Plan Year, not to exceed the maximum amount set forth in Item F(7) of the Adoption Agreement.
 - (c) Claim Procedure. In order to be reimbursed for any medical expenses incurred during the Plan Year, the Participant shall complete the form(s) provided for such purpose by the Reimbursement Recordkeeper. The Participant shall submit the completed form to the Reimbursement Recordkeeper with an original bill or other proof of the expense acceptable to the Reimbursement Recordkeeper. No reimbursement shall be made on the basis of an incomplete form or inadequate evidence of expense as determined by the Reimbursement Recordkeeper. Forms for reimbursement of Eligible Medical Expenses must be submitted no later than the ninetieth (90th) day following the last day of the Plan Year during which the Eligible Medical Expenses were incurred. Reimbursement payments shall only be made to the Participant, or the Participant's legal representative in the event of incapacity or death of the Participant. Forms for reimbursement shall be reviewed in accordance with the claims procedure set forth in Section XII.
 - (d) Funding. The funding of the Medical Reimbursement Plan shall be through contributions by the Employer from its general assets to the extent of Elective Contributions directed by Participants. Such contributions shall be made by the Employer when benefit payments and account administrative expenses become due and payable under this Medical Expense Reimbursement Plan.
 - (e) Forfeiture. Any amounts remaining to the credit of the Participant at the end of the Plan Year and not used for Eligible Medical Expenses incurred during the Participant's participation during the Plan Year shall be forfeited and shall remain assets of the Plan. With respect to a Participant who

terminates employment with the Employer and who has not elected to continue coverage under this Plan pursuant to COBRA rights referenced under Section 8.03(f) herein, such Participant shall not be entitled to reimbursement for Eligible Medical Expenses incurred after his termination date regardless if such Participant has any amounts of Employer Contributions remaining to his credit. Upon the death of any Participant who has any amounts of Employer Contributions remaining to his credit, a dependent of the Participant may elect to continue to claim reimbursement for Eligible Medical Expenses in the same manner as the Participant could have for the balance of the Plan Year.

- (f) COBRA. To the extent required by Section 4980B of the Code and Sections 601 through 607 of ERISA ("COBRA"), a Participant and a Participant's Dependents shall be entitled to elect continued participation in this Medical Expense Reimbursement Plan only through the end of the plan year in which the qualifying event occurs, by contributing monthly (from their personal assets previously subject to taxation) to the Employer/Administrator, 102% of the amount of desired reimbursement through the end of the Plan Year in which the qualifying event occurs. Specifically, such individuals will be eligible for COBRA continuation coverage only if they have a positive Medical Expense Reimbursement Account balance on the date of the qualifying event. Participants who have a deficit balance in their Medical Expense Reimbursement Account on the date of their qualifying event shall not be entitled to elect COBRA coverage. In lieu of COBRA, Participants may continue their coverage through the end of the current Plan Year by paying those premiums out of their last paycheck on a pre-tax basis.
- (g) Nondiscrimination. Benefits provided under this Medical Expense Reimbursement Plan shall not be provided in a manner that discriminates in favor of Employees or Dependents who are highly compensated individuals, as provided under Section 105(h) of the Code and regulations promulgated thereunder.
- (h) Uniform Coverage Rule. Notwithstanding that a Participant has not had withheld and credited to his account all of his contributions elected with respect to a particular Plan Year, the entire aggregate annual amount elected with respect to this Medical Expense Reimbursement Plan, shall be available at all times during such Plan Year to reimburse the participant for Eligible Medical Expenses with respect to this Medical Expense Reimbursement Plan. To the extent contributions with respect to this Medical Expense Reimbursement Plan are insufficient to pay such Eligible Medical Expenses, it shall be the Employer's obligation to provide adequate funds to cover any short fall for such Eligible Medical Expenses for a Participant; provided subsequent contributions with respect to this Medical Expense Reimbursement Plan by the Participant shall be available to reimburse the Employer for funds advanced to cover a previous short fall.
- (i) Uniformed Services Employment and Reemployment Rights Act. Notwithstanding anything to the contrary herein, this Medical Expense Reimbursement Plan shall comply with the applicable provisions of the Uniformed Services Employment and Reemployment Rights Act of 1994 (Public Law 103-353).
- (j) Proration of Limit. In the event that the Employer has purchased a uniform coverage risk policy from the Recordkeeper, then the Maximum Coverage amount specified in Section F.7 of the Adoption Agreement shall be pro rated with respect to (i) an Employee who becomes a Participant and enters the Plan during the Plan Year, and (ii) short plan years initiated by the Employer. Such Maximum Coverage amount will be pro rated by dividing the annual Maximum Coverage amount by 12, and multiplying the quotient by the number of remaining months in the Plan Year for the new Participant or the number of months in the short Plan Year, as applicable.

(k) Continuation Coverage for Certain Dependent Children. In the event that benefits under the Medical Expense Reimbursement Plan does not qualify for the exception from the portability rules of HIPAA, then, effective for Plan Years beginning on or after October 9, 2009, notwithstanding the foregoing provisions, coverage for a Dependent child who is enrolled in the Medical Expense Reimbursement Plan as a student at a post-secondary educational institution will not terminate due to a medically necessary leave of absence before a date that is the earlier of:

- the date that is one year after the first day of the medically necessary leave of absence; or
- the date on which such coverage would otherwise terminate under the terms of the Plan.

For purposes of this paragraph, “medically necessary leave of absence” means a leave of absence of the child from a post-secondary educational institution, or any other change in enrollment of the child at the institution, that: (i) commences while the child is suffering from a serious illness or injury; (ii) is medically necessary; and (iii) causes the child to lose student status for purposes of coverage under the terms of the Plan. A written certification must be provided by a treating physician of the dependent child to the Plan in order for the continuation coverage requirement to apply. The physician’s certification must state that the child is suffering from a serious illness or injury and that the leave of absence (or other change in enrollment) is medically necessary.

8.04 ELIGIBLE MEDICAL EXPENSES:

(a) (a) Eligible Medical Expense in General. The phrase ‘Eligible Medical Expense’ means any expense incurred by a Participant or any of his Dependents (subject to the restrictions in Sections 8.04(b) and (c)) during a Plan Year that (i) qualifies as an expense incurred by the Participant or Dependents for medical care as defined in Code Section 213(d) and meets the requirements outlined in Code Section 125, (ii) is excluded from gross income of the Participant under Code Section 105(b), and (iii) has not been and will not be paid or reimbursed by any other insurance plan, through damages, or from any other source. Notwithstanding the above, capital expenditures are not Eligible Medical Expenses under this Plan. Further, notwithstanding the above, effective January 1, 2011, only the following drugs or medicines will constitute Eligible Medical Expenses:

- (i.) Drugs or medicines that require a prescription;
- (ii.) Drugs or medicines that are available without a prescription (“over-the-counter drugs or medicines”) and the Participant or Dependent obtains a prescription; and
- (iii.) Insulin.

(b) Expenses Incurred After Commencement of Participation. Only medical care expenses incurred by a Participant or the Participant’s Dependent(s) on or after the date such Participant commenced participation in the Medical Expense Reimbursement Plan shall constitute an Eligible Medical Expense.

(c) Eligible Expenses Incurred by Dependents. For purposes of this Section, Eligible Medical Expenses incurred by Dependents defined in Section 2.04(c) are eligible for reimbursement if incurred after March 30, 2010; Eligible Medical Expenses incurred by Dependents defined in Sections 2.04(a) and (b) are eligible for reimbursement if incurred either before or after March 30, 2010 (subject to the restrictions of Section 8.04(b)).

(d) Health Savings Accounts. If the Employer has elected in Item F.8 of the Adoption Agreement to allow Eligible Employees to contribute to Health Savings Accounts under the Plan, then for a Participant who is eligible for and elects to contribute to a Health Savings Accounts, Eligible Medical Expenses shall be limited as set forth in Item F.8 of the Adoption Agreement.

8.05 USE OF DEBIT CARD: In the event that the Employer elects to allow the use of debit cards (“Debit Cards”) for reimbursement of Eligible Medical Expenses (other than over-the-counter drugs or medicines) under the Medical Expense Reimbursement Plan, the provisions described in this Section shall apply. However, beginning January 1, 2011, a Debit Card may not be used to purchase drugs or medicines over-the-counter.

(a) Substantiation. The following procedures shall be applied for purposes of substantiating claimed Eligible Medical Expenses after the use of a Debit Card to pay the claimed Eligible Medical Expense:

- (i) If the dollar amount of the transaction at a health care provider equals the dollar amount of the co-payment for that service under the Employer’s major medical plan of the specific employee-cardholder, the charge is fully substantiated without the need for submission of a receipt or further review.
- (ii) If the merchant, service provider, or other independent third-party (e.g., pharmacy benefit manager), at the time and point of sale, provides information to verify to the Recordkeeper (including electronically by e-mail, the internet, intranet, or telephone) that the charge is for a medical expense, the charge is fully substantiated without the need for submission of a receipt or further review.

(b) Status of Charges. All charges to a Debit Card, other than co-payments and real-time substantiation as described in Subsection (a) above, are treated as conditional pending confirmation of the charge, and additional third-party information, such as merchant or service provider receipts, describing the service or product, the date of the service or sale, and the amount, must be submitted for review and substantiation.

(c) Correction Procedures for Improper Payments. In the event that a claim has been reimbursed and is subsequently identified as not qualifying for reimbursement, one or all of the following procedures shall apply:

- (i) First, upon the Recordkeeper’s identification of the improper payment, the Eligible Employee will be required to pay back to the Plan an amount equal to the improper payment.
- (ii) Second, where the Eligible Employee does not pay back to the Plan the amount of the improper payment, the Employer will have the amount of the improper payment withheld from the Eligible Employee’s wages or other compensation to the extent consistent with applicable law.
- (iii) Third, if the improper payment still remains outstanding, the Plan may utilize a claim substitution or offset approach to resolve improper claims payments.
- (iv) If the above correction efforts prove unsuccessful, or are otherwise unavailable, the Eligible Employee will remain indebted to the Employer for the amount of the improper

payment. In that event and consistent with its business practices, the Employer may treat the payment as it would any other business indebtedness.

- (v) In addition to the above, the Employer and the Plan may take other actions they may deem necessary, in their sole discretion, to ensure that further violations of the terms of the Debit Card do not occur, including, but not limited to, denial of access to the Debit Card until the indebtedness is repaid by the Eligible Employee.

(d) Intent to Comply with Rev. Rul. 2003-43. It is the Employer's intent that any use of Debit Cards to pay Eligible Medical Expenses shall comply with the guidelines for use of such cards set forth in Rev. Rul. 2003-43, and this Section 8.05 shall be construed and interpreted in a manner necessary to comply with such guidelines.

8.06 GRACE PERIOD: If the Employer elects in Section F.7 of the Adoption Agreement to permit a Grace Period with respect to the Medical Reimbursement Plan, the provisions of this Section 8.06 shall apply. Notwithstanding anything to the contrary herein and in accordance with Internal Revenue Service Notice 2005-42, a Participant who has unused contributions relating to the Medical Reimbursement Plan from the immediately preceding Plan Year, and who incurs Eligible Medical Expenses for such qualified benefit during the Grace Period, may be paid or reimbursed for those Eligible Medical Expenses from the unused contributions as if the expenses had been incurred in the immediately preceding Plan Year. For purposes of this Section, 'Grace Period' shall mean the period extending to the 15th day of the third calendar month after the end of the immediately preceding Plan Year to which it relates. Eligible Medical Expenses incurred during the Grace Period shall be reimbursed first from unused contributions allocated to the Medical Reimbursement Plan for the prior Plan Year, and then from unused contributions for the current Plan Year, if participant is enrolled in current Plan Year.

8.07 QUALIFIED RESERVIST DISTRIBUTIONS: Notwithstanding anything in the Plan to the contrary, an individual who, by reason of being a member of a reserve component (as defined in 37 U.S.C. § 101), is ordered or called to active duty for a period in excess of 179 days or for an indefinite period may elect to receive a distribution of all or a portion of the unused Elective Contributions in his or her Account relating to the Medical Expense Reimbursement Plan if the distribution is made during the period beginning on the date of such order or call and ending on the last date that reimbursements could otherwise be made under the Plan for the Plan Year that includes the date of such order or call. If the distribution is for the entire amount of unused Elective Contributions available in the Medical Expense Reimbursement Plan, then no additional reimbursement requests will be processed for the remainder of the Plan Year.

SECTION IX

DEPENDENT CARE REIMBURSEMENT PLAN

9.01 PURPOSE: The Dependent Care Reimbursement Plan is designed to provide for reimbursement of certain employment-related dependent care expenses of the Participant. It is the intention of the Employer that amounts allocated for this benefit shall be eligible for exclusion from gross income, as provided in Code Section 129, for Participants who elect this benefit, and all provisions of this Section IX shall be construed in a manner consistent with that intention.

9.02 ELIGIBILITY: The eligibility provisions are set forth in Item F(6) of the Adoption Agreement.

9.03 TERMS, CONDITIONS, AND LIMITATIONS:

- (a) Accounts. The Reimbursement Recordkeeper shall establish a recordkeeping account for each Participant. The Reimbursement Recordkeeper shall maintain a record of each account on an on-going basis, increasing the balances as contributions are credited during the year and decreasing the balances as Eligible Dependent Care Expenses are reimbursed. No interest shall be payable on amounts recorded in any Participant's account.
- (b) Maximum Benefit. The maximum amount of reimbursement for each Participant shall be limited to the amount of the Participant's allocation to the program during the Plan Year not to exceed the maximum amount set forth in Item F(6) of the adoption agreement.
- (c) For purpose of this Section IX, the phrase "earned income" shall mean wages, salaries, tips and other employee compensation, but only if such amounts are includible in gross income for the taxable year. A Participant's spouse who is physically or mentally incapable of self-care as described in Section 9.04(a)(ii) or a spouse who is a full-time student within the meaning of Code Section 21(e)(7) shall be deemed to have earned income for each month in which such spouse is so disabled (or a full-time student). The amount of such deemed earned income shall be \$250 per month in the case of one Dependent and \$500 per month in the case of two or more Dependents.
- (d) Claim Procedure. In order to be reimbursed for any dependent care expenses incurred during the Plan Year, the Participant shall complete the form(s) provided for such purpose by the Reimbursement Recordkeeper. The Participant shall submit the completed form to the Reimbursement Recordkeeper with an original bill or other proof of the expense from an independent third party acceptable to the Reimbursement Recordkeeper. No reimbursement shall be made on the basis of an incomplete form or inadequate evidence of the expense as determined by the Reimbursement Recordkeeper. Claims for reimbursement of Eligible Dependent Care Expenses must be submitted no later than the ninetieth (90th) day following the last day of the Plan Year during which the Eligible Dependent Care Expenses were incurred. Reimbursement payments shall only be made to the Participant, or the Participant's legal representative in the event of the incapacity or death of the Participant. Forms for reimbursement shall be reviewed in accordance with the claims procedure set forth in Section XII.
- (e) Funding. The funding of the Dependent Care Reimbursement Plan shall be through contributions by the Employer from its general assets to the extent of Elective Contributions directed by Participants. Such contributions shall be made by the Employer when benefit payments and account administration expenses become due and payable under this Dependent Care Expense Reimbursement Plan.
- (f) Forfeiture. Any amounts remaining to the credit of the Participant at the end of the Plan Year and not used for Eligible Dependent Care Expenses incurred during the Plan Year shall be forfeited and remain assets of the Plan.
- (g) Nondiscrimination. Benefits provided under this Dependent Care Reimbursement Plan shall not be provided in a manner that discriminates in favor of Highly Compensated Employees (as defined in Code Section 414(q)) or their dependents, as provided in Code Section 129. In addition, no more than 25 percent of the aggregate Eligible Dependent Care Expenses shall be reimbursed during a Plan Year to five percent owners, as provided in Code Section 129.

9.04 DEFINITIONS:

(a) "Dependent" (for purposes of this Section IX) means any individual who is:

- (i) a Participant's qualifying child (as defined in Code Section 152 (c)) who has not attained the age of 13; or
- (ii) a dependent (qualifying child or qualifying relative, as defined in Code Section 152 (c) and (d), respectively) or the spouse of a Participant who is physically or mentally incapable of self-care, and who has the same principal place of abode as the taxpayer for more than half of the taxable year. For purposes of this Dependent Care Reimbursement Plan, an individual shall be considered physically or mentally incapable of self-care if, as a result of a physical or mental defect, the individual is incapable of caring for his or her hygienic or nutritional needs, or requires full-time attention of another person for his or her own safety or the safety of others.

(b) "Dependent Care Center" (for purposes of this Section IX) shall be a facility which:

- (i) provides care for more than six individuals (other than individuals who reside at the facility);
- (ii) receives a fee, payment, or grant for providing services for any of the individuals (regardless of whether such facility is operated for profit); and
- (iii) satisfies all applicable laws and regulations of a state or unit of local government.

(c) "Eligible Dependent Care Expenses" (for purposes of this Section IX) shall mean expenses incurred by a Participant which are:

- (i) incurred for the care of a Dependent of the Participant or for related household services;
- (ii) paid or payable to a Dependent Care Service Provider; and
- (iii) 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.

"Eligible 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 (i) a qualifying child (as defined in Code Section 152 (c)) under the age of 13, or (ii) a dependent (qualifying child or qualifying relative, as defined in Code Section 152 (c) and (d), respectively)), who is physically or mentally incapable of self-care, and who has the same principal place of abode as the Participant for more than half of the taxable year, or (iii) the spouse of a Participant who is physically or mentally incapable of self-care, and who has the same principal place of abode as the Participant for more than half of the taxable year. Eligible Dependent Care Expenses shall be deemed to be incurred at the time the services to which the expenses relate are rendered.

(d) "Dependent Care Service Provider" (for purposes of this Section IX) means:

- (i) a Dependent Care Center, or
- (ii) a person who provides care or other services described in Section 9.04(b) and who is not a related individual described in Section 129(c) of the Code.

SECTION X

HEALTH SAVINGS ACCOUNTS

- 10.01 PURPOSE: If elected by the Employer in Section F.8 of the Adoption Agreement, the Plan will permit pre-tax contributions to the Health Savings Account, and the provisions of this Article X shall apply.
- 10.02 BENEFITS: A Participant can elect benefits under the Health Savings Accounts portion of this Plan by electing to pay his or her Health Savings Account contributions on a pre-tax salary reduction basis. In addition, the Employer may make contributions to the Health Savings Account for the benefit of the Participant.
- 10.03 TERMS, CONDITIONS AND LIMITATION:
- (a) Maximum Benefit. The maximum annual contributions that may be made to a Participant's Health Savings Account under this Plan is set forth in Section F.8 of the Adoption Agreement.
 - (b) Mid-Year Election Changes. Notwithstanding any to the contrary herein, a Participant election with respect to contributions for the Health Savings Account shall be revocable during the duration of the Plan Year to which the election relates. Consequently, a Participant may change his or her election with respect to contributions for the Health Savings Account at any time.
- 10.04 RESTRICTIONS ON MEDICAL REIMBURSEMENT PLAN: If the Employer has elected in Section F.8 of the Adoption Agreement both Health Savings Accounts under this Plan and the Medical Expense Reimbursement Plan, then the Eligible Medical Expenses that may be reimbursed under the Medical Reimbursement Plan for Participants who are eligible for and elect to participate in Health Savings Accounts shall be limited as set forth in Section F.8 of the Adoption Agreement.
- 10.05 NO ESTABLISHMENT OF ERISA PLAN: It is the intent of the Employer that the establishment of Health Savings Accounts are completely voluntary on the part of Participants, and that, in accordance with Department of Labor Field Assistance Bulletin 2004-1, the Health Savings Accounts are not "employee welfare benefit plans" for purposes of Title I of ERISA.

SECTION XI

AMENDMENT AND TERMINATION

- 11.01 AMENDMENT: The Employer shall have the right at any time, and from time to time, to amend, in whole or in part, any or all of the provisions of this Plan, provided that no such amendment shall change the terms and conditions of payment of any benefits to which Participants and covered dependents otherwise have become entitled to under the provisions of the Plan, unless such amendment is made to comply with federal or local laws or regulations. The Employer also shall have the right to make any amendment retroactively which is necessary to bring the Plan into conformity with the Code. In addition, the Employer may amend any provisions or any supplements to the Plan and may merge or combine supplements or add additional supplements to the Plan, or separate existing supplements into an additional number of supplements.
- 11.02 TERMINATION: The Employer shall have the right at any time to terminate this Plan, provided that such termination shall not eliminate any obligations of the Employer which therefore have arisen under the Plan.

SECTION XII

ADMINISTRATION

- 12.01 NAMED FIDUCIARIES: The Administrator shall be the fiduciary of the Plan.
- 12.02 APPOINTMENT OF RECORDKEEPER: The Employer may appoint a Reimbursement Recordkeeper which shall have the power and responsibility of performing recordkeeping and other ministerial duties arising under the Medical Expense Reimbursement Plan and the Dependent Care Reimbursement Plan provisions of this Plan. The Reimbursement Recordkeeper shall serve at the pleasure of, and may be removed by, the Employer without cause. The Recordkeeper shall receive reasonable compensation for its services as shall be agreed upon from time to time between the Administrator and the Recordkeeper.
- 12.03 POWERS AND RESPONSIBILITIES OF ADMINISTRATOR:
- (a) General. The Administrator shall be vested with all powers and authority necessary in order to amend and administer the Plan, and is authorized to make such rules and regulations as it may deem necessary to carry out the provisions of the Plan. The Administrator shall determine any questions arising in the administration (including all questions of eligibility and determination of amount, time and manner of payments of benefits), construction, interpretation and application of the Plan, and the decision of the Administrator shall be final and binding on all persons.
 - (b) Recordkeeping. The Administrator shall keep full and complete records of the administration of the Plan. The Administrator shall prepare such reports and such information concerning the Plan and the administration thereof by the Administrator as may be required under the Code or ERISA and the regulations promulgated thereunder.
 - (c) Inspection of Records. The Administrator shall, during normal business hours, make available to each Participant for examination by the Participant at the principal office of the Administrator a copy of the Plan and such records of the Administrator as may pertain to such Participant. No Participant shall have the right to inquire as to or inspect the accounts or records with respect to other Participants.
- 12.04 COMPENSATION AND EXPENSES OF ADMINISTRATOR: The Administrator shall serve without compensation for services as such. All expenses of the Administrator shall be paid by the Employer. Such expenses shall include any expense incident to the functioning of the Plan, including, but not limited to, attorneys' fees, accounting and clerical charges, actuary fees and other costs of administering the Plan.
- 12.05 LIABILITY OF ADMINISTRATOR: Except as prohibited by law, the Administrator shall not be liable personally for any loss or damage or depreciation which may result in connection with the exercise of duties or of discretion hereunder or upon any other act or omission hereunder except when due to willful misconduct. In the event the Administrator is not covered by fiduciary liability insurance or similar insurance arrangements, the Employer shall indemnify and hold harmless the Administrator from any and all claims, losses, damages, expenses (including reasonable counsel fees approved by the Administrator) and liability (including any reasonable amounts paid in settlement with the Employer's approval) arising from any act or omission of the Administrator, except when the same is determined to be due to the willful misconduct of the Administrator by a court of competent jurisdiction.

- 12.06 DELEGATIONS OF RESPONSIBILITY: The Administrator shall have the authority to delegate, from time to time, all or any part of its responsibilities under the Plan to such person or persons as it may deem advisable and in the same manner to revoke any such delegation of responsibilities which shall have the same force and effect for all purposes hereunder as if such action had been taken by the Administrator. The Administrator shall not be liable for any acts or omissions of any such delegate. The delegate shall report periodically to the Administrator concerning the discharge of the delegated responsibilities.
- 12.07 RIGHT TO RECEIVE AND RELEASE NECESSARY INFORMATION: The Administrator may release or obtain any information necessary for the application, implementation and determination of this Plan or other Plans without consent or notice to any person. This information may be released to or obtained from any insurance company, organization, or person subject to applicable law. Any individual claiming benefits under this Plan shall furnish to the Administrator such information as may be necessary to implement this provision.
- 12.08 CLAIM FOR BENEFITS: To obtain payment of any benefits under the Plan a Participant must comply with the rules and procedures of the particular benefit program elected pursuant to this Plan under which the Participant claims a benefit.
- 12.09 GENERAL CLAIMS REVIEW PROCEDURE: This provision shall apply only to the extent that a claim for benefits is not governed by a similar provision of a benefit program available under this Plan or is not governed by Section 12.10.
- (a) Initial Claim for Benefits. Each Participant may submit a claim for benefits to the Administrator as provided in Section 12.08. A Participant shall have no right to seek review of a denial of benefits, or to bring any action in any court to enforce a claim for benefits prior to his filing a claim for benefits and exhausting his rights to review under this section.

When a claim for benefits has been filed properly, such claim for benefits shall be evaluated and the claimant shall be notified of the approval or the denial within (90) days after the receipt of such claim unless special circumstances require an extension of time for processing the claim. If such an extension of time for processing is required, written notice of the extension shall be furnished to the claimant prior to the termination of the initial ninety (90) day period which shall specify the special circumstances requiring an extension and the date by which a final decision will be reached (which date shall not be later than one hundred and eighty (180) days after the date on which the claim was filed.) A claimant shall be given a written notice in which the claimant shall be advised as to whether the claim is granted or denied, in whole or in part. If a claim is denied, in whole or in part, the claimant shall be given written notice which shall contain (a) the specific reasons for the denial, (b) references to pertinent plan provisions upon which the denial is based, (c) a description of any additional material or information necessary to perfect the claim and an explanation of why such material or information is necessary, and (d) the claimant's rights to seek review of the denial.

- (b) Review of Claim Denial. If a claim is denied, in whole or in part, the claimant shall have the right to request that the Administrator review the denial, provided that the claimant files a written request for review with the Administrator within sixty (60) days after the date on which the claimant received written notification of the denial. A claimant (or his duly authorized representative) may review pertinent documents and submit issues and comments in writing to the Administrator. Within sixty (60) days after a request is received, the review shall be made and the claimant shall be advised in writing of the decision on review, unless special circumstances require an extension of time for processing the review, in which case the claimant shall be given a written notification within such

initial sixty (60) day period specifying the reasons for the extension and when such review shall be completed (provided that such review shall be completed within one hundred and twenty (120) days after the date on which the request for review was filed.) The decision on review shall be forwarded to the claimant in writing and shall include specific reasons for the decision and references to plan provisions upon which the decision is based. A decision on review shall be final and binding on all persons.

- (c) Exhaustion of Remedies. If a claimant fails to file a request for review in accordance with the procedures herein outlined, such claimant shall have no rights to review and shall have no right to bring action in any court and the denial of the claim shall become final and binding on all persons for all purposes.

12.10 SPECIAL CLAIMS REVIEW PROCEDURE: The provisions of this Section 12.10 shall be applicable to claims under the Group Medical Reimbursement Plan and the Group Medical Insurance Plan, effective on the first day of the first Plan Year beginning on or after July 1, 2002, but in no event later than January 1, 2003, provided such plans are subject to ERISA.

- (a) Benefit Denials: The Administrator is responsible for evaluating all claims for reimbursement under the Medical Expense Reimbursement Plan and the Group Medical Insurance Plan.

The Administrator will decide a Participant's claim within a reasonable time not longer than 30 days after it is received. This time period may be extended for an additional 15 days for matters beyond the control of the Administrator, including in cases where a claim is incomplete. The Participant will receive written notice of any extension, including the reasons for the extension and information on the date by which a decision by the Administrator is expected to be made. The Participant will be given 45 days in which to complete an incomplete claim. The Administrator may secure independent medical or other advice and require such other evidence as it deems necessary to decide the claim.

If the Administrator denies the claim, in whole or in part, the Participant will be furnished with a written notice of adverse benefit determination setting forth:

1. the specific reason or reasons for the denial;
2. reference to the specific Plan provision on which the denial is issued;
3. a description of any additional material or information necessary for the Participant to complete his claim and an explanation of why such material or information is necessary, and
4. appropriate information as to the steps to be taken if the Participant wishes to appeal the Administrator's determination, including the participant's right to submit written comments and have them considered, his right to review (on request and at no charge) relevant documents and other information, and his right to file suit under ERISA with respect to any adverse determination after appeal of his claim.

- (b) Appealing Denied Claims: If the Participant's claim is denied in whole or in part, he may appeal to the Administrator for a review of the denied claim. The appeal must be made in writing within 180 days of the Administrator's initial notice of adverse benefit determination, or else the participant will lose the right to appeal the denial. If the Participant does not appeal on time, he will also lose his

right to file suit in court, as he will have failed to exhaust his internal administrative appeal rights, which is generally a prerequisite to bringing suit.

A Participant's written appeal should state the reasons that he feels his claim should not have been denied. It should include any additional facts and/or documents that the Participant feels support his claim. The Participant may also ask additional questions and make written comments, and may review (on request and at no charge) documents and other information relevant to his appeal. The Administrator will review all written comment the Participant submits with his appeal.

(c) Review of Appeal: The Administrator will review and decide the Participant's appeal within a reasonable time not longer than 60 days after it is submitted and will notify the Participant of its decision in writing. The individual who decides the appeal will not be the same individual who decided the initial claim denial and will not be that individual's subordinate. The Administrator may secure independent medical or other advice and require such other evidence as it deems necessary to decide the appeal, except that any medical expert consulted in connection with the appeal will be different from any expert consulted in connection with the initial claim. (The identity of a medical expert consulted in connection with the Participant's appeal will be provided.) If the decision on appeal affirms the initial denial of the Participant's claim, the Participant will be furnished with a notice of adverse benefit determination on review setting forth:

1. The specific reason(s) for the denial,
2. The specific Plan provision(s) on which the decision is based,
3. A statement of the Participant's right to review (on request and at no charge) relevant documents and other information,
4. If the Administrator relied on an "internal rule, guideline, protocol, or other similar criterion" in making the decision, a description of the specific rule, guideline, protocol, or other similar criterion or a statement that such a rule, guideline, protocol, or other similar criterion was relied on and that a copy of such rule, guideline, protocol, or other criterion will be provided free of charge to the Participant upon request," and
5. A statement of the Participant's right to bring suit under ERISA § 502(a).

12.11 PAYMENT TO REPRESENTATIVE: In the event that a guardian, conservator or other legal representative has been duly appointed for a Participant entitled to any payment under the Plan, any such payment due may be made to the legal representative making claim therefor, and such payment so made shall be in complete discharge of the liabilities of the Plan therefor and the obligations of the Administrator and the Employer.

12.12 PROTECTED HEALTH INFORMATION. The provisions of this Section will apply only to those portions of the Plan that are considered a group health plan for purposes of 45 CFR Parts 160 and 164. The Plan may disclose PHI to employees of the Employer, or to other persons, only to the extent such disclosure is required or permitted pursuant to 45 CFR Parts 160 and 164. The Plan has implemented administrative, physical, and technical safeguards to reasonably and appropriately protect, and restrict access to and use of, electronic PHI, in accordance with Subpart C of 45 CFR Part 164. The applicable claims procedures under the Plan shall be used to resolve any issues of non-compliance by such individuals. The Employer will:

- not use or disclose PHI other than as permitted or required by the plan documents and permitted or required by law;
- reasonably and appropriately safeguard electronic PHI created, received, maintained, or transmitted to or by it on behalf of the Plan, in accordance with Subpart C of 45 CFR Part 164;
- implement administrative, physical, and technical safeguards that reasonably and appropriately protect the confidentiality, integrity, and availability of the electronic PHI that it creates, receives, maintains, or transmits on behalf of the Plan;
- ensure that any agents including a subcontractors to whom it provides PHI received from the Plan agree to the same restrictions and conditions that apply to the Employer with respect to such information;
- not use or disclose PHI for employment-related actions and decisions or in connection with any other employee benefit plan of the Employer;
- report to the Plan any use or disclosure of the information that is inconsistent with the permitted uses or disclosures provided for of which it becomes aware;
- make available PHI in accordance with 45 CFR Section 164.524;
- make available PHI for amendment and incorporate any amendments to PHI in accordance with 45 CFR Section 164.526;
- make available the information required to provide an accounting of disclosures in accordance with 45 CFR Section 164.528;
- make its internal practices, books, and records relating to the use and disclosure of PHI received from the Plan available to the Secretary of Health and Human Services or his designee upon request for purposes of determining compliance with 45 CFR Section 164.504(f);
- if feasible, return or destroy all PHI received from the Plan that the Employer still maintains in any form and retain no copies of such information when no longer needed for the purposes for which the disclosure was made, except that, if such return or destruction is not feasible, limit further uses and disclosures to those purposes that make the return or destruction of the information infeasible; and,
- ensure that the adequate separation required in paragraph (f)(2)(iii) of 45 CFR Section 164.504 is established.

For purposes of this Section, “PHI” is “Protected Health Information” as defined in 45 CFR Section 160.103, which is means individually identifiable health information, except as provided in paragraph (2) of the definition of “Protected Health Information” in 45 CFR Section 160.103, that is transmitted by electronic media; maintained in electronic media; or transmitted or maintained in any other form or medium by a covered entity, as defined in 45 CFR Section 164.104.

SECTION XIII

MISCELLANEOUS PROVISIONS

- 13.01 INABILITY TO LOCATE PAYEE: If the Plan Administrator is unable to make payment to any Participant or other person to whom a payment is due under the Plan because it cannot ascertain the identity or whereabouts of such Participant or other person after reasonable efforts have been made to identify or locate such person, then such payment and all subsequent payments otherwise due to such

Participant or other person shall be forfeited following a reasonable time after the date any such payment first became due.

- 13.02 FORMS AND PROOFS: Each Participant or Participant's Beneficiary eligible to receive any benefit hereunder shall complete such forms and furnish such proofs, receipts, and releases as shall be required by the Administrator.
- 13.03 NO GUARANTEE OF TAX CONSEQUENCES: Neither the Administrator nor the Company makes any commitment or guarantee that any amounts paid to or for the benefit of a Participant or a Dependent under the Plan will be excludable from the Participant's or Dependent'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 or Dependent.
- 13.04 PLAN NOT CONTRACT OF EMPLOYMENT: The Plan will not be deemed to constitute a contract of employment between the Employer and any Participant nor will the Plan be considered an inducement for the employment of any Participant or employee. Nothing contained in the Plan will be deemed to give any Participant or employee the right to be retained in the service of the Employer nor to interfere with the right of the Employer to discharge any Participant or employee at any time regardless of the effect such discharge may have upon that individual as a Participant in the Plan.
- 13.05 NON-ASSIGNABILITY: No benefit under the Plan shall be liable for any debt, liability, contract, engagement or tort of any Participant or his Beneficiary, nor be subject to charge, anticipation, sale, assignment, transfer, encumbrance, pledge, attachment, garnishment, execution or other voluntary or involuntary alienation or other legal or equitable process, nor transferability by operation of law.
- 13.06 SEVERABILITY: If any provision of the Plan will be held by a court of competent jurisdiction to be invalid or unenforceable, the remaining provisions hereof will continue to be fully effective.
- 13.07 CONSTRUCTION:
- (a) Words used herein in the masculine or feminine gender shall be construed as the feminine or masculine gender, respectively where appropriate.
 - (b) Words used herein in the singular or plural shall be construed as the plural or singular, respectively, where appropriate.
- 13.08 NONDISCRIMINATION: In accordance with Code Section 125(b)(1), (2), and (3), this Plan is intended not to discriminate in favor of Highly Compensated Participants (as defined in Code Section 125(e)(1)) as to contributions and benefits nor to provide more than 25% of all qualified benefits to Key Employees. If, in the judgment of the Administrator, more than 25% of the total nontaxable benefits are provided to Key Employees, or the Plan discriminates in any other manner (or is at risk of possible discrimination), then, notwithstanding any other provision contained herein to the contrary, and, in accordance with the applicable provisions of the Code, the Administrator shall, after written notification to affected Participants, reduce or adjust such contributions and benefits under the Plan as shall be necessary to insure that, in the judgment of the Administrator, the Plan shall not be discriminatory.
- 13.09 ERISA. The Plan shall be construed, enforced, and administered and the validity determined in accordance with the applicable provisions of the Employee Retirement Income Security Act of 1974 (as amended), the Internal Revenue Code of 1986 (as amended), and the laws of the State indicated in the Adoption Agreement. Notwithstanding anything to the contrary herein, the provisions of ERISA will not apply to this Plan if the Plan is exempt from coverage under ERISA. Should any provisions be determined to be void, invalid, or unenforceable by any court of competent jurisdiction, the Plan will

continue to operate, and for purposes of the jurisdiction of the court only will be deemed not to include the provision determined to be void.

PD 0511



City of Biggs

**Agenda Item Staff Report
for the Regular City Council Meeting:
November 21, 2011 6:00PM**

DATE: November 7, 2011
TO: Honorable Mayor and Members of the City Council
FROM: Pete Carr, City Administrator
SUBJECT: Addendum to Labor MOU: Health Insurance (Consent/Action)

Council is asked to ratify approval of addendum to MOU with Laborers Local 185 acknowledging that the MOU-provided meet & confer on health insurance did occur, and that the bargaining unit employees elected to stay with the current health insurance benefit.

Background

The 2010 Memorandum of Understanding (MOU) between the city and the Laborers Union Local 185, concerning Public Works field employees, provided for a meet & confer discussion in 2011 to consider health insurance options for 2012. This discussion occurred, and is documented by the addendum.

One Attachment:
Addendum to MOU Dated October 19, 2011.

Recommendation:

Ratify addendum for the record.

Fiscal Impact of Recommendation:

None.



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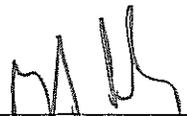
October 19, 2011

ADDENDUM TO BIGGS-LOCAL 185 M.O.U – HEALTH INSURANCE

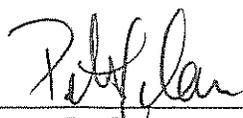
Parties acknowledge that pursuant to 2010-2013 Memorandum of Understanding between City of Biggs and Laborers Local 185, Article XII Section 1 Medical Benefits and Section 2 Dental Benefits, City and Union did in fact meet and confer in 2011 to consider alternative medical plans and options for 2012 and 2013. Dental plans were not a direct focus.

After considering alternatives including plans offered by Laborers Health and Welfare Trust Fund, CSAC and Keenan, City decided to continue with PERS for Blue Shield HMO and Blue Cross PPO plan offerings at least for 2012. City also decided to continue with the previously negotiated 85% premium coverage for employees and dependents for 2012 and 80% for 2013, and to offer a health reimbursement account (HRA) to encourage employees to consider enrolling in a PPO plan by covering the potential out-of-pocket expenses above that which would have been experienced under the HMO plan.

The bargaining unit met with City management to discuss and consider options and costs, and was provided summary spreadsheets indicating employee premium costs under various scenarios for 2012. City's initial offer was to cap costs at the Blue Cross Select plan cost and provide an HRA. The bargaining unit through its shop steward notified City on September 15th that it has decided to "keep the insurance the way it is for the remainder of are (sic) contract." Subsequent discussions confirmed this position that bargaining unit employees will enroll in HMO or PPO plans at 85/15% cost share in 2012 without a City-provided HRA, but that the bargaining unit might want to discuss and reconsider this in 2012 for 2013.



John Flem
Laborers Local 185



Peter R. Carr
City Administrator



City of Biggs

Agenda Item Staff Report for the Regular City Council Meeting: November 21, 2011 6:00PM

DATE: November 15, 2011
TO: Honorable Mayor and Members of the City Council
FROM: Pete Carr, City Administrator
SUBJECT: Job Descriptions – Public Works (Discussion/Action)

Council is asked to consider approval of updated job descriptions for Public Works field employee positions.

Background

The current job descriptions for Public Works field employees were approved in 2006. Changes to the labor MOU and the personnel manual within the past year prompted a need to update the job descriptions, particularly to be consistent with new certificate recognition and other compensation policies.

Highlights of changes to the proposed job descriptions:

- Requirement for Class B licensing is added.
- Requirement for electrical lineman skill is deleted.
- Titles are made consistent with salary schedule.
- Licensing for wastewater treatment operators is clearly spelled out in a three-step progression.
- Crew I, II and III are more clearly defined and differentiated.

Attachments (5):

Resolution 2011-__

Proposed job descriptions for Crew I, II, III and Wastewater Treatment Plant Operator

Recommendation:

Adopt Resolution 2011-__ which approves proposed job descriptions as presented and replaces the former (March 2006) job descriptions in the Personnel Manual.

Fiscal Impact of Recommendation:

None.

RESOLUTION NO. 2011-24

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BIGGS
REVISING JOB DESCRIPTIONS FOR PUBLIC WORKS FIELD POSITIONS and
REPLACING THOSE PREVIOUSLY APPROVED MARCH 2006.**

BE IT RESOLVED by the City Council of the City of Biggs as follows:

WHEREAS, the City of Biggs established job descriptions for Public Works field positions in March 2006 for the following positions: City Crew I, City Crew II, City Crew III, City Crew IV and Chief Plant Operator; and

WHEREAS, the City now revises and updates these job descriptions with appropriate alignment to the Salary Schedule, Compensation Guidelines, State Licensing Regulations and the current needs of the City, combining the aforementioned five job titles into four as follows: City Crew I, City Crew II, City Crew III, and Wastewater Treatment Plant Operator, the latter having three related sublevels;

NOW THEREFORE BE IT RESOLVED, the City of Biggs replaces the formerly listed job descriptions (March 2006) with the revised documents listed in Exhibit A, and directs the City Administrator to incorporate same into the City Personnel Manual.

I HEREBY CERTIFY that the foregoing **RESOLUTION** was duly introduced, passed and adopted at a meeting of the City Council of the City of Biggs, held on the 21st of November, 2011 by the following vote:

AYES: COUNCILMEMBER _____

NOES: COUNCILMEMBER _____

ABSENT: COUNCILMEMBER _____

ABSTAIN: COUNCILMEMBER _____

ATTEST:

APPROVED:

Roben Dewsnup
CITY CLERK

Roger L. Frith
MAYOR

CITY OF BIGGS – CLASSIFICATION PLAN – JOB DESCRIPTION

DATE APPROVED BY CITY COUNCIL	PREVIOUS	SERVICE	JOB TITLE
November 21, 2011	March 2006	() EXEMPT (X) CLASSIFIED	City Crew I/General Maintenance

DEFINITION:

Under direct supervision of the Public Works Supervisor or Superintendent, will assist in construction, operation and maintenance of the city streets, drainage, water and sewer systems, and parks, in addition to equipment and building maintenance.

TYPICAL DUTIES:

- Participates in the maintenance and construction of streets, curbs and gutters, sidewalks, storm drains, sanitary sewers, and sewage collection system.
- Maintains city buildings and properties, parks and park restroom facilities, including lawn mowing, watering, pruning, painting, in addition to removing trash, cleaning windows, etc.
- Makes construction project field surveys, determines the scope of small construction projects from plans and specifications, mobilizes equipment needed for such jobs.
- Works at heights (tree trimming) and below ground level (trenches and manholes).
- May assist crew in operation of street vehicles and construction equipment and tools.
- Performs related duties as assigned and required.

DESIRED QUALIFICATIONS:

Knowledge of:

- Landscape maintenance, basic facilities maintenance.
- Operation, care and maintenance of equipment and utilities-related facilities.
- Construction of sidewalks, underground plumbing, landscape irrigation.
- Basic welding and mechanical repairs is desired.

Ability to:

- Operate a wide variety of public works maintenance equipment.
- Read, interpret and follow work orders, plans and specifications.
- Perform heavy physical labor in a variety of adverse conditions.

Experience:

Six months of experience in public facilities construction and maintenance.

Education:

- High school diploma or G.E.D. Read and write English.

Additional Requirements:

- Possession of a valid Class C California Driver License, ability to obtain Class B.
- After six months, will be on call for scheduled nights and weekends.

Compensation Basis:

Salaried. Amount per current City Personnel Manual and Salary Schedule.

CITY OF BIGGS – CLASSIFICATION PLAN – JOB DESCRIPTION

DATE APPROVED BY CITY COUNCIL	PREVIOUS	SERVICE	JOB TITLE
November 21, 2011	March 2006	() EXEMPT (X) CLASSIFIED	City Crew II/Equipment Operator

DEFINITION:

Under direct supervision of Public Works Superintendent or Supervisor, will be responsible for construction, operation and maintenance of the city streets and drainage, water and sewer systems, and parks, in addition to equipment and building maintenance.

TYPICAL DUTIES:

- Operates street and construction vehicles including street sweeper, dump truck, backhoe, aerial boom truck, forklift, and sewer/drain jetter.
- Participates in the maintenance and construction of streets, curbs and gutters, sidewalks, storm drains, sanitary sewers, and sewage collection system.
- Makes construction project field surveys, determines the scope of small construction projects from plans and specifications and mobilizes equipment and manpower needed for such jobs.
- Works at heights (tree trimming) and underground (trenches and manholes).
- Performs related duties as assigned and required.

DESIRED QUALIFICATIONS:

Knowledge of:

- Construction and maintenance of public works facilities.
- Operation, care and maintenance of city tools, equipment and utility-related facilities.

Ability to:

- Operate a wide variety of public works maintenance and construction equipment.
- Maintain heavy equipment including greasing schedule and maintenance logs.
- Read, interpret and follow work orders, plans and specifications.
- Construct sidewalks and gutters with minimal supervision.
- Basic welding and mechanical repairs and fabrication.
- Perform heavy physical labor in a variety of adverse conditions.

Experience:

At least one year of experience in public facilities construction and maintenance as, or with demonstrated experience equivalent to that of, Biggs Crew I – General Maintenance.

Education:

High school diploma or G.E.D. Read and write English.

Additional Requirements:

- Possession of a valid Class B and Class C California Driver License.
- Be on call for scheduled nights and weekends.

Compensation Basis:

Salaried. Amount per current City Personnel Manual and Salary Schedule.

CITY OF BIGGS – CLASSIFICATION PLAN – JOB DESCRIPTION

DATE APPROVED BY CITY COUNCIL	PREVIOUS	SERVICE	JOB TITLE
November 21, 2011	March 2006	() EXEMPT (X) CLASSIFIED	City Crew III/Water System Operator

DEFINITION:

Under the general supervision of the Public Works Superintendent or Supervisor, and as directed by the Chief Plant Operator for sewer treatment plant-related functions, is responsible for safe and compliant operation of the water production, treatment and distribution system; also performs a wide variety of tasks involving the construction and maintenance of streets, drainage, water and sewer systems, parks, equipment operation, and building maintenance.

TYPICAL DUTIES:

- Inspects and maintains City wells, operates distribution system. Provides security and safety for the system as well as reliable, regulation-compliant and efficient operation.
- Participates in the maintenance and construction of streets, curbs and gutters, sidewalks, storm drains, sanitary sewers, and sewage collection and treatment systems.
- Makes construction project field surveys, determines the scope of small construction projects from plans and specifications and mobilizes equipment and manpower needed for such jobs.
- Sample water quality regularly. Produces annual water quality report for management review and approval and files same with State.
- Works at heights and underground levels.
- Performs related duties as assigned and required.

DESIRED QUALIFICATIONS:

Knowledge of:

- Operation and maintenance of water production, treatment and distribution systems.
- Maintenance of public works facilities; operation, care and maintenance of city equipment and utilities.
- State laws and regulations relative to water distribution systems, City regulations as to water conservation.
- Pumps and motors, water metering laws and operations.

Ability to:

- Identify, analyze and resolve water distribution operational issues.
- Develop and maintain accurate operational records relative to water distribution systems.
- Analyze and interpret complex state laws and regulations relative to water distribution systems.
- Assist wastewater treatment operator in corresponding roles for wastewater collection and treatment.

Experience:

One year of experience in water distribution system operations and maintenance, and experience as, or equivalent to, Biggs Crew II Equipment Operator.

Education:

High school diploma or G.E.D. Read and write English.

Additional Requirements:

- Possession of a valid Class B and Class C California Driver License.
- Water Distribution Operator License Level 2 (D2) and Water Treatment Operator (T1) certification.

Compensation Basis: Salaried. Amount per current City Personnel Manual and Salary Schedule.

CITY OF BIGGS – CLASSIFICATION PLAN – JOB DESCRIPTION

DATE APPROVED BY CITY COUNCIL	PREVIOUS	SERVICE	JOB TITLE
November 21, 2011	March 2006	() EXEMPT (X) CLASSIFIED	Crew IV/Wastewater Treatment Plant Operator or Chief Plant Operator

DEFINITION:

Under the supervision of the Public Works Superintendent or Supervisor, operates and maintains the wastewater collection, treatment and disposal plant and systems according to State regulations, City procedures, and best practices for safety, security and efficiency. Also performs a wide variety of tasks involving the construction and maintenance of streets, drainage, water and sewer systems, parks, equipment operation, building maintenance..

TYPICAL DUTIES:

- Maintains sewage collection systems including normal and emergency operation of lift stations.
- Operates and maintains the wastewater treatment plant and effluent disposal.
- Trains, guides, coaches and assists in evaluation of operators-in training.
- Performs all state mandated testing and reports, provides test results to City management.
- Participates in the maintenance and construction of streets, curbs and gutters, sidewalks, storm drains, and sanitary sewers.
- Makes construction projects field surveys, determines the scope of small construction projects from plans and specifications and mobilizes equipment and manpower needed for such jobs.
- Works at heights and underground levels, troubleshoots equipment.
- Performs related duties as assigned and required in a variety of adverse conditions.
- May also be responsible for water system.

DESIRED QUALIFICATIONS:

Knowledge of:

- Operation and maintenance of wastewater treatment facilities.
- Operation and maintenance of water distribution systems.
- Maintenance of public works facilities; operation, care and maintenance of city equipment and utilities.
- State laws and regulations relative to wastewater and water distribution systems.

Ability to:

- Analyze and resolve wastewater operational issues.
- Analyze and resolve water distribution operational issues.
- Develop and maintain accurate operational records relative to wastewater and water distribution systems.
- Analyze and interpret complex State laws and regulations relative to wastewater and water distribution systems.

Experience:

Two years experience in wastewater treatment and water distribution system operations and maintenance, and fundamental knowledge of pumps and motors operation and maintenance.

Education:

High school diploma or G.E.D. Read and write English.

Additional Requirements:

- See next page

CITY OF BIGGS – CLASSIFICATION PLAN – JOB DESCRIPTION

Additional Requirements:

- Possession of a valid Class B and Class C California Driver License.
- Water Systems Treatment Operator (T1) and distribution license level 2 (D2) certification.
- Wastewater Operator certification as follows:
 - Level 1 license for Treatment Plant Operator Level 1
 - Level 2 license for Treatment Plant Operator Level 2 and/or Chief Plant Operator

Compensation Basis:

Salaried. Amount per current City Personnel Manual and Salary Schedule.