



Board of Directors Meeting

January 24, 2023

2:00pm

BOARD OF DIRECTORS

Regular Meeting of the Board of Directors of the Rivanna Solid Waste Authority

DATE: January 24, 2023

LOCATION: Conference Room, Administration Building
695 Moores Creek Lane, Charlottesville, VA

TIME: 2:00 p.m.

AGENDA

- 1. CALL TO ORDER**
- 2. AGENDA APPROVAL**
- 3. MINUTES OF PREVIOUS BOARD MEETING ON NOVEMBER 15, 2022**
- 4. RECOGNITION**
- 5. EXECUTIVE DIRECTOR'S REPORT**
- 6. ITEMS FROM THE PUBLIC**
Matters Not Listed for Public Hearing on the Agenda
- 7. RESPONSES TO PUBLIC COMMENTS**
- 8. CONSENT AGENDA**
 - a. Staff Report on Finance*
 - b. Staff Report on Ivy Material Utilization Center/Recycling Operations Update*
 - c. Approval of Updated Flexible Benefits Plan*
- 9. OTHER BUSINESS**
 - a. Presentation: History and Organizational Agreements of the RSWA*
Bill Mawyer, Executive Director

(Motion and vote to Recess the RSWA Board Meeting)

(Motion and vote to Reconvene the RSWA in a Joint Session with the RWSA)

- b. Presentation: Sustainability and Climate Action Overview
Jennifer Whitaker, P.E., Director of Engineering & Maintenance*

10. OTHER ITEMS FROM BOARD/STAFF NOT ON THE AGENDA

11. CLOSED MEETING – PERSONNEL REVIEW

(Motion, second and roll call vote to enter into a joint session to discuss confidential performance evaluations, goals and objectives of specific personnel as permitted by the personnel exemption at Section 2.2-3711(A)(1) of the Code of Virginia)

Motion:

I move that the Rivanna Solid Waste Authority enter into a joint closed session with the Rivanna Water and Sewer Authority to discuss confidential performance evaluations, goals and objectives of specific personnel as permitted by the personnel exemption at Section 2.2-3711(A)(1) of the Code of Virginia.

(Motion, second and roll call vote to certify the closed session)

Motion:

The Rivanna Solid Waste Authority hereby certifies by recorded vote that, to the best of each member's knowledge, only public business matters lawfully exempted from the open meeting requirements of the Virginia Freedom of Information Act and identified in the motion authorizing the closed meeting were heard, discussed or considered in the closed meeting to which this certification resolution applies.

12. ADJOURNMENT

GUIDELINES FOR PUBLIC COMMENT AT RIVANNA BOARD OF DIRECTORS MEETINGS

If you wish to address the Rivanna Board of Directors during the time allocated for public comment, please raise your hand or stand when the Chairman asks for public comments.

Members of the public requesting to speak will be recognized during the specific time designated on the meeting agenda for “Items From The Public, Matters Not Listed for Public Hearing on the Agenda.” Each person will be allowed to speak for up to three minutes. When two or more individuals are present from the same group, it is recommended that the group designate a spokesperson to present its comments to the Board and the designated speaker can ask other members of the group to be recognized by raising their hand or standing. Each spokesperson for a group will be allowed to speak for up to five minutes.

During public hearings, the Board will attempt to hear all members of the public who wish to speak on a subject, but it must be recognized that on rare occasion comments may have to be limited because of time constraints. If a previous speaker has articulated your position, it is recommended that you not fully repeat the comments and instead advise the Board of your agreement. The time allocated for speakers at public hearings are the same as for regular Board meetings, although the Board can allow exceptions at its discretion.

Speakers should keep in mind that Board of Directors meetings are formal proceedings and all comments are recorded on tape. For that reason, speakers are requested to speak from the podium and wait to be recognized by the Chairman. In order to give all speakers proper respect and courtesy, the Board requests that speakers follow the following guidelines:

- Wait at your seat until recognized by the Chairman.
- Come forward and state your full name and address and your organizational affiliation if speaking for a group;
- Address your comments to the Board as a whole;
- State your position clearly and succinctly and give facts and data to support your position;
- Summarize your key points and provide the Board with a written statement, or supporting rationale, when possible;
- If you represent a group, you may ask others at the meeting to be recognized by raising their hand or standing;
- Be respectful and civil in all interactions at Board meetings;
- The Board may ask speakers questions or seek clarification, but recognize that Board meetings are not a forum for public debate; Board Members will not recognize comments made from the audience and ask that members of the audience not interrupt the comments of speakers and remain silent while others are speaking so that other members in the audience can hear the speaker;
- The Board will have the opportunity to address public comments after the public comment session has been closed;
- At the request of the Chairman, the Executive Director may address public comments after the session has been closed as well; and
- As appropriate, staff will research questions by the public and respond through a report back to the Board at the next regular meeting of the full Board. It is suggested that citizens who have questions for the Board or staff submit those questions in advance of the meeting to permit the opportunity for some research before the meeting.

The agendas of Board meetings, and supporting materials, are available from the RWSA/RSWA Administration office upon request or can be viewed on the Rivanna website.

Rev. September 7, 2022



RSWA BOARD OF DIRECTORS
Minutes of Regular Meeting
November 15, 2022

A regular meeting of the Rivanna Solid Waste Authority (RSWA) Board of Directors was held on Tuesday, November 15, 2022, at 2:00 p.m. in the Administration Building at 695 Moores Creek Lane, Charlottesville, VA.

Board Members Present: Mike Gaffney, Jeff Richardson, Jim Andrews, Brian Pinkston, Stacey Smalls, Lance Stewart, Michael Rogers.

Board Members Absent: None

Rivanna Staff Present: Bill Mawyer, Phil McKalips, Jennifer Whitaker, Lonnie Wood, Deborah Anama, Liz Coleman.

Attorney(s) Present: Carrie Stanton

1. CALL TO ORDER

Mr. Gaffney convened the November 15, 2022 regular meeting of the Board of Directors of the Rivanna Solid Waste Authority at 2:00 p.m.

2. AGENDA APPROVAL

Mr. Rogers moved to approve the agenda as presented. Mr. Pinkston seconded the motion, which passed 5-0. (Mr. Richardson and Mr. Smalls were not present.)

3. MINUTES OF PREVIOUS BOARD MEETING

a. Minutes of the Regular Meeting of the Board on September 27, 2022

Mr. Gaffney asked if there were any changes to the Board minutes or comments.

Mr. Gaffney asked if Mr. Smalls and Mr. Richardson were satisfied with the minutes.

Mr. Mawyer stated that he had not received any comments from them on the matter.

Mr. Gaffney asked if there was a motion.

Mr. Pinkston moved the Board to approve the minutes of September 27, 2022. Mr. Andrews seconded the motion, which passed 5-0. (Mr. Richardson and Mr. Smalls were not present.)

4. RECOGNITION

There were no recognitions.

5. EXECUTIVE DIRECTOR'S REPORT

Mr. Mawyer stated that under the strategic plan goal of workforce development, their safety manager, Liz Coleman, applied for and received a \$2,000 grant from the Virginia Risk Sharing Association, the liability insurance carrier for the Authority. They used the grant funds to purchase hearing protection with radio headsets. He stated that they were very appreciative of Ms. Coleman's effort to receive the grant.

Mr. Mawyer stated that they also celebrated their annual Employee Appreciation Day on November 2, and historically, they had gone to Michie Tavern, but with an abundance of caution with respect to COVID-19, they decided to have the event in the parking lot with games, service awards, and other things of that nature. He showed a photograph of all staff members from both authorities who had attended the function. Mr. Mawyer stated that prior to the pandemic, he held a quarterly lunch with new employees to get to know them and he had recently begun to host this again now that the pandemic was substantially behind them.

He continued to say that the Southern Albemarle Convenience Center in Keene was expected to have construction completed in December or January. He showed some images of the progress that had been made at the site. He stated that in September and October, they completed the e-waste, household hazardous waste, and bulky waste collection events held at the Ivy facility, sponsored by the City and County. He stated that they collected over 36,000 pounds of products during the event.

Mr. Mawyer stated that to celebrate the United Way Day of Caring, they collaborated with Brown Advisory Company for an event at the Ivy MUC to assist staff in bagging oyster shells that had been dried for about a year, after which they were taken to the VCU Rice Center, where the oyster shells were reseeded with young oysters and put back into the Piankatank River. The oysters tremendously reduced pollution in the raw water. He stated that the program had been running for a number of years, and they had shipped about 120,000 oyster shells to the VCU site.

Mr. Mawyer stated that because this would be the last meeting of the RSWA for the year, he wished everyone a happy holiday season and that he looked forward to getting back together in January.

6. ITEMS FROM THE PUBLIC

Mr. Gaffney opened Items from the Public. He asked if there were any speakers who wished to address the Board. Seeing none, he closed the Items from the Public.

7. RESPONSES TO PUBLIC COMMENT

As there were no items from the public, there were no responses.

8. CONSENT AGENDA

a. Staff Report on Finance

b. Staff Report on Ivy Material Utilization Center/Recycling Operations Update

c. Approval of Board Meeting Schedule for Calendar Year 2023

Mr. Gaffney asked if there were any items to be pulled or discussed from the Consent Agenda. Hearing none, he asked for a motion.

Mr. Rogers moved the Board to approve the Consent Agenda as presented. The motion was seconded by Mr. Pinkston and passed unanimously 6-0. (Mr. Richardson was not present.)

98 **9. OTHER BUSINESS**

99 *a. Presentation and Vote on Acceptance: FY22 Audit Report*
100 *Matthew McLearen, Robinson, Farmer, Cox Associates*
101

102 Mr. Matthew McLearen greeted the Chair and members of the Board. He stated that he would be
103 presenting the FY22 financial statement audit and would present the results of the audit as well
104 as a few required communications from the auditor. He stated that in the Board packet, there
105 were two documents, one being a letter titled "Communication with Those Charging
106 Governments," which he would briefly review, as well as a few key pages in the annual financial
107 comprehension report. He stated that the title change on that document for this year forward
108 would be "Annual Comprehensive Financial Report."
109

110 Mr. McLearen stated that there were a few key points from the letter "Communication with
111 Those in Charge of Governments." He stated that the first was responsibilities under the audit,
112 which were that the management of the Authority was responsible for maintaining accounting
113 records, and certainly maintaining internal controls over the financial reporting process
114 throughout the fiscal year. He stated that management was also responsible for the preparation of
115 the financial statement, whereas the auditor was required to audit those financial statements and
116 communicate any audit findings they may have had during the process.
117

118 Mr. McLearen stated that financial statements included accounting estimates, which was
119 common among many sets of financial statements, and the most common estimates were
120 depreciable lives of fixed assets, which also applied to the Authority. He stated that they applied
121 accounting estimates and determined the depreciable life of the long-term assets, as well as
122 estimates related to the OPEP and pension liabilities, which were significant liabilities
123 determined by an actuary third-party, and determined those liabilities to be reported in the
124 financial statements, which had significant estimates in those reports.
125

126 Mr. McLearen stated that the third item communicated in the letter was difficulties encountered
127 during the audit, which was where an auditor would describe any difficulty, which could be as
128 simple as being unable to access records needed to apply on the financial statements, or
129 incomplete records or incomplete accounting system. He stated that they were pleased to report
130 there were no difficulties encountered in the FY22 audit.
131

132 Mr. McLearen stated that the next significant point in the letter was to describe any
133 disagreements in applying accounting principles. He stated that there were many accounting
134 principles that applied to a governmental entity, whether it was a normal, everyday accounting,
135 or financial reporting standard as issued by the Governmental Accounting Standards Board. He
136 stated that he was pleased to report that there were no disagreements in applying any accounting
137 principles to the Authority for FY22.
138

139 Mr. McLearen stated that lastly, it was required through professional standards to disclose
140 knowledge that Management sought a second opinion. He stated that this would only apply in a
141 situation where they had issued a qualified for modified opinion to the financial statements,
142 which was also known as a "opinion shopping," and they had no knowledge that Management
143 sought a second opinion.
144

145 Mr. McLearen stated that the annual comprehensive financial report document had on its first
146 page the independent auditor's report, which was the first of two reports in the document with
147 the CPA firm's letterhead. He stated that he was pleased to report that they had issued an

unmodified or clean opinion for FY22's audit. He stated that there were three core financial statements in this document, the first being the statement of net position, in exhibit 1. He stated that it was similar to their balance sheet for a for-profit entity, which reported the assets, liabilities, and equity determined, and that position was the equity for a governmental entity. He stated that the net position or equity on June 30, 2022 was \$8.5M.

Mr. McLearen stated that the second of the three financial statements was a statement of revenues, expenses, and changes in that position. He stated that it was similar to an income statement or profit/loss statement for a for-profit entity, it reported the revenues and expenses as well as the increase or decrease of the equity in the net position. He stated that the increase in net position, the third number from the bottom of Exhibit 2, was an increase of \$1.1M for FY22 ending on June 30.

Mr. McLearen stated that the third and final financial statement in this document was the statement of cashflows, and was isolated just in the cash balance that the Authority had, and reported the increase and decrease, as well as the sources and uses of the cash flows. He stated that there was a lot of information on the one page, and it could be seen that the cashflow for the Authority increased by approximately \$187,000 in the year ending June 2022.

Mr. McLearen stated that there were two reports that had the CPA firm's letterhead, and the second of the two reports was the independent auditor's report on controls, which was where an auditor would describe any significant deficiencies or material weaknesses in the internal reporting structure. He stated that as he had mentioned, there was a responsibility from management to maintain internal controls throughout the fiscal year of the financial reporting process. He stated that they were required by professional standards to test those controls and report any significant deficiencies and material weaknesses, and they could read those two pages in this document that they had not issued any significant deficiencies or material weaknesses for the FY22 audit. He concluded his remarks by extending thanks to Lonnie Wood and Kathy Ware for their part in this audit, for without them it would have been much more difficult, and they had also prepared the annual financial comprehensive report.

Mr. Gaffney asked if there were comments or questions.

Mr. Pinkston asked where copies of the document could be obtained digitally.

Ms. Anama stated that it could be accessed on the website.

Mr. Mawyer asked the Chairman for a vote on the acceptance of the annual comprehensive financial report.

Mr. Stewart moved the Board to accept the annual comprehensive financial report for FY22. Mr. Smalls seconded the motion, which passed unanimously (7-0).

b. Presentation and Vote on Approval: Baling Facility Update – Phil McKalips, Director of Solid Waste

Mr. McKalips stated that he wanted to provide a presentation on the Paper Sort facility and how it fits into the recycling operations, followed by what they were looking forward to with the Baling Facility. He stated that the Paper Sort facility was where they processed all of their fiber and plastic products, including all cardboard, mixed paper, office paper, newsprint, number 1 and

2 plastics, and plastic films. At the Paper Sort, these materials are compacted and baled for shipment so that they were at a higher value to the vendors who bought them. He stated that they began using the Paper Sort facility in 1995, and it had grown in both the number of materials being handled as well as the volume of materials that they handled. He stated that they had a baler there, and in September, the Authority authorized the purchase of a new baler that was to be installed in January of this upcoming year. He stated the facility had no redundancy other than the single baler.

Mr. McKalips stated that the existing facility was open on one side, which allowed weather, dirt, and other materials to come inside. He stated that this had the ability to degrade the quality of the materials, and because it only had six bays and they collected seven different materials, it forced them to comingle materials, causing them to sell materials at a lower value. He stated that this meant that they could not take advantage of spot pricing in the marketplace. He stated that in the last five years they had received 15% more materials. Using cardboard or mixed paper as an example, they brought that material from Ivy and McIntire in roll-off containers to the Paper Sort, where they were compacted, baled, loaded into trailers, and hauled to a paper mill south of Richmond, in loads of 20 ton bales.

Mr. McKalips stated that if they did not have the Paper Sort facility, they would have to take those roll-offs and drive them to some other place, such as a paper mill, in a two-ton load because that was what a roll-off truck would hold in terms of loose material. He stated that by using the Paper Sort facility, they cut the hauling portion of expenses by a factor of 10. He stated that the vendors on the receiving end of the loose material were not that thrilled, especially in the case of paper, because it became an issue of storage for the receiver. He stated that in the case of plastics, they took them to Madison Heights, where they were charged \$40 per ton for the baling labor prior to shipment. He stated that these processes pointed to the value of the Paper Sort facility for the Rivanna recycling operations.

Mr. McKalips stated that they had looked into expanding the Paper Sort facility about three years ago, and it had significant costs of \$2M to expand it, but even that expansion would not be to the full extent needed for the existing use. He stated that there were also concerns about investing in that site because of the long-term lease problems and access to the site. He stated that the problem with expanding the site was that the only way for large trucks to access the site was for trucks to drive off of Meade Ave. through the middle of the Gerdau scrap metal yard. He stated that the Paper Sort site was owned by Woolen Mills Self Storage, and Gerdau property was owned by Harry Wright, who owned the junkyard.

Mr. McKalips stated that Gerdau required a 90-day kickout clause for access to this site. He stated that if they invested in the site, they would always be concerned that they had 90 days before they had to leave. He stated that there was no other access to this site now that Woolen Mills had developed the self-storage facility. He stated there was car access off of Franklin Street, but trucks could not be driven because of the residential neighborhood and tight turns.

Mr. McKalips showed on the slide different views of the access to the site. He stated that about half of the site shown in the first image was used by Gerdau for truck turnaround. He stated the lower image on the slide was of the old baler that was to be replaced in January and also gave an idea of the state of the building. He stated that it did not have lights and one side was open. He stated that the insulation was beginning to fall apart because it was exposed to weather, animals, and nesting birds. He stated that also importantly they could see the cardboard pile. He stated

247 that when they received loads of cardboard, it was dropped inside the entrance, which was
248 identified as the best place to stage it in the building.

249
250 Mr. McKalips stated that if they got a lot of cardboard, the pile began to grow across the floor
251 and could get to a point where the loading bays could not be reached along the back wall, which
252 was where all other materials were stored and processed. He stated this was controlled by baling
253 cardboard first because it could seal the building off. He stated that they had gotten to the point
254 where if there was something that delayed the cardboard baling, such as a mechanical issue with
255 the baler, it would seal off the site, which would result in needing to take loads elsewhere, which
256 was expensive.

257
258 Mr. McKalips stated that the new baler hopefully meant that it would be less of a reliability
259 problem, but they were still getting to the point where, due to the 15% growth, any additional
260 growth meant that it would become more and more of a risk of processing delays and would
261 likely happen due to the volume of material coming in. He stated that they could not keep
262 materials at the collection sites either, because it would overflow.

263
264 Mr. McKalips showed another image of the bays in the back of the Paper Sort facility. He stated
265 that because they only had six bays and they used the bays for storage for mixed paper, once the
266 material was baled, they often had to store it outside. He stated that they tried not to do this for
267 fiber products like paper, but even for things like plastics, it was desirable to minimize the
268 amount of movement of the bales because it could break the tensile wires that held together the
269 large bales. He stated that when kept outside, the material began spilling out and littering the site,
270 which was time-consuming to regather, which was another reason why they would like to have a
271 closed facility. He showed another image of the cardboard spilling out across the facility.

272
273 Mr. McKalips stated that the actions to date were that in September 2021, the Board authorized
274 them to look for a new facility location in the County. He stated that they completed preliminary
275 engineering to give an idea of what this project would look like. He stated that the Board had
276 also allowed the purchase of a new baler to extend the life of the existing facility. He stated that
277 they had come up with design criteria for the new Baling Facility. He stated that they wanted to
278 have it on Rivanna-, City-, or County-controlled land, because leasing a site that they did not
279 have long-term control or ownership of was a concern.

280
281 Mr. McKalips stated that they wanted a fully enclosed facility to keep materials out of the
282 weather and prevent litter, and to be sized to accommodate all materials that were currently being
283 collected. He stated that they were missing out on better pricing and having to make decisions
284 based on space, not the best practices for materials management. He stated that ultimately, they
285 would like a second baler for redundancy because it was an essential component of operations
286 and the finances of those operations.

287
288 Mr. McKalips stated that they had identified a site on Berkmar Drive in the County and a few
289 different locations on the Ivy MUC property. They had identified a suitable, cost-effective
290 location at Ivy, to the northeast and north of the disposal cells. He stated that the advantages to
291 having it at the Ivy location were that they already had scales and scales software at that location,
292 and could take advantage of co-used equipment, such as the sweeper, and co-use of staff to
293 respond when needed. He stated that it was already a brownfield site as an old landfill, so they
294 were not taking up otherwise valuable green space in the County.

Mr. McKalips stated that on the bottom of the image on the screen was the entrance to the Ivy landfill, and the main haul road went up toward the back of the lot, near where the old clean fill area was on the site. He stated that the cell between the entrance and the preferred location was Cell 2, where the solar development would be if it went forward. He showed a more detailed layout of the same figure, followed by an inside view of what the facility would look like at that location. He stated that there would be 11 loading bays, allowing them to store materials separately. He stated that they currently use trailers to store materials that were loose as well as baled.

Mr. McKalips stated that they had gotten a preliminary engineer's report that estimated \$420,000 for design permitting and bidding services. He stated that they would like that cost to be in the 2024 budget. He continued that construction was estimated at \$6M for the 2025 budget. He stated that they must finalize a draft Baling Facility agreement with the City and the County, and at some point, they must revise and amend the local government support agreement for the recycling program so that they could all be satisfied with how cost-sharing would be with the new facilities.

Mr. Gaffney asked if there were any regular employee parking spaces at the new proposed Baling Facility.

Mr. McKalips stated that he did not know if they had called any specific ones out. He stated that there would only be one or two employees working at the facility.

Mr. McKalips stated that they often used golf carts for shuttling people in and out. He stated that this location would not have bathrooms or shower facilities, so there would likely be a port-o-john for staff.

Mr. Mawyer asked what the rent paid for the current sorting facility was.

Mr. McKalips stated that they paid \$2,700 per month for the current facility. He stated that when they were previously discussing renegotiating, they would be at \$3,300, which would be a \$600 increase per month, and now he assumed it would be closer to \$3,500 per month. He stated that at some point they needed to finalize the lease because they stopped negotiating the lease with the short kickout clause, because it was better to exist under the guise of the existing lease than to have the new one that documented how quickly they must be kicked out.

Mr. Gaffney asked if they kept the existing Paper Sort facility, what they would have to invest in the building to bring it up to where it needed to be.

Mr. McKalips stated that the new baler would bring it up to what it was currently as well as the additional rent.

Mr. Mawyer asked if they required an addition to the building.

Mr. McKalips stated that they figured three more bays could be added for a total of nine bays. He stated that there was a potential design where another baler could be inserted, but it would still not be fully what was necessary for the existing material volume, and they would still be storing some material outside. He stated that that cost was about \$1.6M.

Mr. Gaffney stated that still was with a 90-day notice at any point.

346
347 Mr. McKalips stated that was correct.
348

349 Mr. Gaffney stated they would then essentially throw that money away.
350

351 Mr. Stewart stated that Charlottesville's recently-adopted comprehensive plan took that whole
352 block of industrial area on this side of Meade Avenue and south of Market Street and called for
353 rezoning it to higher potential uses, so it was very developable brownfield land now, but the
354 likelihood of something happening to the Gerdau parcel that was owned by the same person who
355 owned the junkyard was much higher than it would have been a few years ago.
356

357 Mr. McKalips stated that it was in the future land use map as being primed for residential use.
358

359 Mr. Mawyer stated that the agreement between Rivanna, the City, and the County stated that the
360 County paid 70% of recycling costs and the City paid 30% because they had the curb-recycling
361 program. He stated that the \$6M was allocated the same in a 70/30 split, but if the County's
362 proportion of tonnage increased after the Southern Convenience Center was built, they would
363 have a chance to measure the tonnage and revisit the agreement to potentially change the
364 proportioning. He stated that they wanted the design cost to be in the budgets for FY24 and the
365 construction cost in FY25, both to be shared by the County and the City.
366

367 Mr. Pinkston asked if there should be a motion to approve the design amount.
368

369 Mr. Mawyer stated that he was asking to approve making an official request to the County and
370 the City to include this in the budget for next year.
371

372 Mr. Pinkston stated that there was also a commitment to their budget here for design work.
373

374 Mr. Mawyer stated it was, but they would not go forward unless they had a commitment from
375 the County and the City to fund it because the Authority could not front the cost of that service.
376

377 Mr. Gaffney asked if the motion was for the City and the County to include this amount in future
378 budgets.
379

380 Mr. Mawyer stated yes.
381

382 Mr. Pinkston asked where it would appear in the budget.
383

384 Mr. Rogers stated that it would be in the FY24 budget.
385

386 Mr. Mawyer stated that the \$420,000 would be, and the \$6M would be in the following year,
387 FY25.
388

389 Mr. Rogers stated the City Manager would have to decide if they were cooperating.
390

391 Mr. Pinkston stated that this was different than other times when the Authority was the one
392 approving the funds. He stated that this was a request.
393

394 Mr. Mawyer stated that they would approve that the Authority officially ask the City and County
395 to put it in their budgets so that it could also be included in the Authority's budget.

396
397 **Mr. Pinkston motioned to approve the request. Mr. Richardson seconded the motion,**
398 **which passed unanimously (7-0).**
399

400 *(Recess RSWA in a JOINT SESSION with the RWSA)*
401

402 **At 2:40 p.m., Mr. Andrews moved to recess the meeting of the Rivanna Solid Waste Authority**
403 **Board. Mr. Rogers seconded the motion, which passed unanimously (7-0).**
404

405 **At 3:39 p.m., Mr. Gaffney brought the RSWA back into session.**
406

407 *(Joint Session with the RSWA)*
408

409 *a. Presentation and Vote on Approval: Remote Participation Policy and Amended and Restated*
410 *By-Laws; Bill Mawyer, Executive Director*
411

412 Mr. Mawyer stated the General Assembly in September passed a change to the Virginia Freedom
413 of Information Act to allow organizations, such as the Authorities, to have remote participation
414 by Board members under certain conditions and to conduct a certain number of all-virtual
415 meetings limited to 25% of the regular meetings.
416

417 Mr. Mawyer stated that the number of allowed virtual meetings would be two per calendar year
418 for the RSWA and three per calendar year for the RWSA. He noted that the Boards had approved
419 the calendars for calendar year 2023 on the consent agendas. He stated March and September
420 had been designated as the months to hold virtual meetings for the RSWA and RWSA, and in
421 December, there would be a virtual meeting for RWSA.
422

423 Mr. Mawyer explained that the Code of Virginia had several provisions and requirements. He
424 stated that the Authority's by-laws already allowed remote participation for members, but the
425 legal counsel informed him that the new Code of Virginia provisions superseded the Authority's
426 by-laws.
427

428 Mr. Mawyer stated that they had to pass a new remote participation policy to allow a Board
429 member to participate remotely by virtual means or telephone. He stated that some of the rules
430 required a member to have a temporary or permanent medical condition or disability, or a
431 member of their family may have a similar situation, or the member's principal residence was
432 more than 60 miles away from the meeting location.
433

434 Mr. Mawyer stated that the member would have to notify the chair in advance of the meeting that
435 remote participation was requested. He stated that there would have to be a motion and approval
436 by the Board to allow the member to participate remotely. He stated that the reason for remote
437 participation and the location of the remote member would have to be recorded in the minutes.
438

439 Mr. Mawyer explained the virtual public meeting section had 10 conditions. He stated the
440 meetings would have to provide public access to the all-virtual meetings, such as was done
441 during the pandemic. He stated the public would have to be able to hear and see the members,
442 and the public would have to be allowed to speak virtually at the public meeting.
443

444 Mr. Mawyer stated the ninth condition stated that virtual meetings could be held no more than
445 two times per calendar year or 25% of the total meetings rounded to the higher whole number,

446 whichever is greater. He noted virtual meetings could not be held in consecutive months.

447
448 Mr. Mawyer explained they needed to amend and restate the by-laws because the new remote
449 participation policy had to be incorporated into the by-laws. He explained that all members of
450 each Authority had to be present to approve any change to the by-laws. He stated the amended
451 and restated by-laws would incorporate the remote participation policy into the by-laws.

452
453 Mr. Mawyer stated the amended by-laws would clarify that being remote or virtual constituted
454 being present for the meetings. He explained that the by-laws stated that to amend the by-laws,
455 all members had to be present. He stated if they wanted to amend the by-laws in the future and a
456 member was participating remotely, then the remote member would be considered present and
457 able to vote to amend the by-laws.

458
459 Mr. Mawyer stated that also in the amended by-laws, they clarified the authority of the Executive
460 Director to execute contracts and other instruments. He explained that the by-laws currently
461 stated that the Executive Director could execute contracts. In the amended by-laws "or other
462 instruments" had been added. He stated that those could include deeds of sale or easement
463 transactions.

464
465 Mr. Mawyer explained the current by-laws limited the Executive Director's authority to process
466 procurements up to \$200K and for no more than a year. He explained that typically when they
467 came before the Boards to award a design or construction contract, the recommendation
468 requested approval of the award and authorization for the Executive Director to execute the
469 documents. He explained that otherwise, the chairman would have to sign the documents.

470
471 Mr. Mawyer stated at counsel's recommendation, they had added that the Board meetings would
472 be conducted in accordance with Robert's Rules of Order and gave precedence to the Articles
473 followed by these By-laws, then the Rules. He stated that the Articles governed if there was any
474 conflict. He noted they had also included an administrative cleanup to the by-laws.

475
476 Mr. Mawyer explained that each Board had to separately approve the Remote Participation
477 Policy and approve the Amended and Restated By-laws, and both would be effective
478 immediately.

479
480 Mr. O'Connell asked which meetings would be held virtually.

481
482 Mr. Mawyer responded that it would be March and September for RSWA, and it would be
483 March, September, and December for RWSA. He explained that in January, there could be new
484 members. In May, we held public hearings to approve budgets. In July, the Boards completed
485 an evaluation of the Executive Director's performance, so he did not recommend holding virtual
486 meetings during these months. He noted that they held a joint meeting of the Boards every other
487 month, so he did not want to have one Board meeting virtually and the other in-person. He noted
488 that the meetings could not be held virtually in consecutive months.

489
490 Mr. O'Connell stated it would be confusing for the Boards and the public as to whether the
491 meeting was virtual or not.

492
493 Ms. Mallek asked whether they were required to select dates now or if they were allowed to
494 decide on meetings to be held virtually with proper notice due to extenuating circumstances.

495

Mr. Mawyer explained that they had approved the meeting schedule for calendar year 2023, but they could amend the schedule whenever they wanted. He noted that if the Boards wanted to meet in person instead of meeting virtually, they could.

Mr. Pinkston stated he agreed with Mr. O'Connell. He asked if there was an advantage to scheduling for the virtual meetings.

Mr. Mawyer stated they scheduled them in advance so the Board, staff and the public would know when the meetings would be held going into the next year.

Mr. Pinkston asked why they needed to have the virtual option.

Mr. Mawyer stated it helped people to plan for the meetings.

Mr. Andrews asked if there had been any reasons for special meetings to be called within the past 10 years.

Mr. Mawyer explained there was one held in 2017 when there was a drought and the RWSA had to issue mandatory water conservation measures. He explained the meeting was held on four hours' notice. He stated that was the only time in his six years with the Authority.

Mr. Andrews stated it may be a convenient tool if they needed to hold a special meeting.

Mr. Mawyer explained the chair could call a special meeting whenever desired. He stated they could hold an emergency meeting with four hours' notice to the public. He noted that what was proposed was a hybrid practice between all virtual and all in-person meetings.

Mr. Pinkston stated he understood the rationale to disperse the virtual meetings throughout the year.

Mr. Mawyer stated he could remind the Boards each month before the meetings whether the meeting was virtual.

Mr. Stewart asked if there were cost impacts for the all-virtual meetings.

Mr. Mawyer explained there was a cost of about \$6K per year to hold virtual meetings and allow the public to speak at the meetings. He stated initially they were not going to have remote public input, but then the General Assembly granted the authority to have all-virtual meetings in which the Authorities would be required to have virtual public comment.

Mr. Stewart noted that citizens were able to participate remotely in the meetings. He stated it was important for the A/V technology to be maintained. He asked if they had considered whether they needed upgrades to the room to ensure members could be heard.

Mr. Mawyer stated he had not heard of any major issues. He noted that they hosted virtual meetings with input to the public for two years. He stated they had to purchase some equipment to accommodate the virtual format.

Mr. Rogers clarified that the Boards were requested to take two actions—to approve the Remote Participation Policy and approve Amended By-laws.

Mr. Mawyer explained that the Remote Participation Policy would allow remote participation and virtual meetings. He explained that the Boards would have to adopt the policy into the amended by-laws.

MOTION: Mr. Andrews moved that the RSWA Board of Directors approve the Resolution regarding the adoption of the Remote Participation Policy. Mr. Rogers seconded the motion which carried unanimously (7-0).

**RESOLUTION OF THE
BOARD OF DIRECTORS OF THE
RIVANNA SOLID WASTE AUTHORITY
REGARDING
ADOPTION OF REMOTE PARTICIPATION POLICY**

NOVEMBER 15, 2022

***WHEREAS**, pursuant to Section 2.2-3708.3 of the Code of Virginia (the “Code”), the Rivanna Solid Waste Authority (the “Authority”) has prepared a Remote Participation Policy (the “Policy”), describing the circumstances under which an all-virtual public meeting and/or remote participation will be allowed and the process the Authority will use for making requests to use remote participation, approving or denying such requests, and creating a record of such requests, and fixing the number of times remote participation for personal matters or all-virtual public meetings can be used per calendar year, said Policy being attached hereto as Exhibit A;*

***WHEREAS**, Section 2.2-3708.3(D) of the Code requires that the adoption of the Policy by recorded vote at a public meeting; and*

***WHEREAS**, the Board of Directors of the Authority (the “Board”) deems it advisable and in the best interest of the Authority to adopt the Policy;*

***NOW, THEREFORE, BE IT RESOLVED**, that the Board hereby authorizes, approves, adopts and ratifies the Policy in all respects.*

MOTION: Mr. Pinkston moved that the RSWA Board of Directors approve the adoption of the Amended and Restated By-laws. Mr. Smalls seconded the motion which carried unanimously (7-0).

**RESOLUTION OF THE
BOARD OF DIRECTORS OF THE
RIVANNA SOLID WASTE AUTHORITY
ADOPTING
AMENDED AND RESTATED BY-LAWS**

NOVEMBER 15, 2022

***WHEREAS**, the Board of Directors (the “Board”) of the Rivanna Solid Waste Authority (the “Authority”) has determined that it is in the best interests of the Authority to amend and restate the current By-Laws of the Authority, which were adopted and made effective as of August 25, 2020 (the “Current By-Laws”); and*

596 **WHEREAS**, pursuant to Article VI of the Current By-Laws, the Board may amend, add to,
597 alter, or repeal the Current By-Laws at any meeting of all of the Board, provided that notice of the
598 proposed amendment, additions, alteration or repeal is given in the notice of such meeting and that
599 all members of the Board are present at such meeting; and

600 **WHEREAS**, the Board deems it advisable and in the best interest of the Authority to amend
601 and restate the Current By-Laws in order to conform language regarding remote participation in
602 Board meetings in accordance with the Code of Virginia and the Remote Participation Policy of the
603 Authority to be adopted on even date herewith, to clarify signing authority for contracts and other
604 instruments of the Authority, and to make certain other procedural updates; and

605 **WHEREAS**, the Board has considered the proposed Amended and Restated By-Laws in the
606 form attached hereto as Exhibit A (the "Amended and Restated By-Laws") and has determined that
607 it is advisable and in the best interests of the Authority to amend and restate the Current By-Laws by
608 adoption of the Amended and Restated By-Laws and to ratify, confirm and approve all contracts and
609 other instruments of the Authority signed by the Chair or the Executive Director of the Authority;

610 **NOW, THEREFORE, BE IT RESOLVED**, that the Current By-Laws are hereby amended
611 and restated in their entirety, and the Amended and Restated By-Laws attached hereto as Exhibit A
612 are hereby adopted and ratified in all respects, effective immediately; and be it

613 **FURTHER RESOLVED**, that the Secretary of the Authority or any other proper officer of
614 the Authority be, and each of them hereby is, authorized and directed to place the Amended and
615 Restated By-Laws and this resolution in the minute books of the Authority; and be it

616 **FURTHER RESOLVED**, that all contracts and other instruments of the Authority signed by
617 the Chair or the Executive Director of the Authority prior to the date of these resolutions are hereby
618 ratified, confirmed and approved in all respects as the act and deed of the Authority; and be it

619 **FURTHER RESOLVED**, that the proper officers of the Authority are, and each of them
620 hereby is, authorized and directed to prepare, execute and deliver, or cause to be prepared, executed
621 and delivered, any and all agreements, documents, certificates and instruments, and to take any and
622 all such other actions as may be deemed necessary, desirable or appropriate, to carry out the purpose
623 and intent of each of the foregoing resolutions; and be it

624 **FURTHER RESOLVED**, that any actions taken by such officers or directors prior to the
625 date of these resolutions that are within the authority conferred by the foregoing resolutions are
626 hereby ratified, confirmed and approved in all respects as the act and deed of the Authority.
627

628 Mr. Gaffney clarified that these Resolutions were not addressing scheduling of Board meetings.
629

630 Mr. Mawyer explained the schedules had been approved on the consent agendas. He stated the
631 schedules could be amended in the future if desired.
632

633 *b. Presentation and Vote on Approval: Strategic Plan 2023 Update; Bill Mawyer, Executive*
634 *Director*
635

636 Mr. Mawyer stated he was responding to the Boards' comments from September when they
637 stated that more metrics were needed and the strategic plan needed a greater emphasis on local
638 and regional communications.
639

640 Mr. Mawyer stated the vision, mission, and values were the same as for the last five years. He
641 noted that they did some edits to the 2018 strategic plan to create the 2023 strategic plan. He
642 stated the goals for the next five years were the same five—communication and collaboration,
643 environmental stewardship, workforce development, optimization and resiliency of the systems,
644 and planning and infrastructure. He noted there had been a sixth goal in 2018—solid waste
645 services—which had been merged into each of the five goals for 2023.

646
647 Mr. Mawyer stated they added to the strategy of communication and collaboration that they
648 would communicate with local and regional partners. He stated it was a benchmark for the prior
649 five years and had been unintentionally left out. He stated they had included metrics to measure
650 how they were meeting the strategies.

651
652 Mr. Mawyer noted there were 19 metrics on which they would be working. He noted that the
653 aggregate was a resource issue for the staff.

654
655 Mr. Pinkston asked what the impacts on staff were in terms of tracking the metrics.

656
657 Mr. Mawyer explained the metrics each required a percentage of staff time, and the staff time
658 was limited so the aggregate of all the requirements became a staffing challenge. He stated they
659 would be requesting more staff over the next five years in part to address the strategies included
660 in the plan.

661
662 Mr. Rogers asked what the baseline of 2% was.

663
664 Mr. Mawyer explained that to implement the strategies, they developed a goal team for each of
665 the five goals with six to seven staff members on each team. He explained that one of the first
666 duties of each team was to determine the baseline for the goal. He stated they had preliminary
667 estimates on a number of metrics. He noted that they estimated that they spent 480 staff hours
668 per year to meet the goal of providing resources to foster community collaborations.

669
670 Mr. Mawyer stated in terms of enhancing the website and expanding community service
671 initiatives by 1% per year, they estimated that they spent 240 staff hours per year on the item in
672 the past. He stated there was some baseline information, but it was the goal teams' first task to
673 assess the baseline and use the percentages to move forward.

674
675 Mr. Richardson stated the planning assumed the Authorities continued the operations that were
676 ongoing and did not stop any practices. He noted that there were opportunities to revisit stopping
677 practices that were not effective or reducing hours in certain areas to create capacity for staff to
678 focus on items that yielded more meaningful results.

679
680 Mr. Mawyer stated that was correct. He noted that it was part of the optimization goal to
681 consider opportunities to create value including stopping practices that were not effective. He
682 stated, for example, they advertised every month in the newspaper that they were holding
683 Authority Board meetings. He stated that the by-laws already stated when the Board meetings
684 would be held—RSWA was the fourth Tuesday every other month at 2pm and the RWSA was
685 the fourth Tuesday of every month at 2:15 p.m., and our attorney indicated in the past that we did
686 not have to advertise the meetings additionally in the newspaper each month.

687
688 Mr. Mawyer explained that they had to advertise a public hearing or a special meeting. He stated
689 there was an estimate of about \$1,500 a year that would be saved by not advertising every

month. He stated they were looking to optimize every nickel that they could find. He stated that was part of the reason they brought next year's Board meeting schedule before the Boards this month so that they could advertise the 2023 Board regular meeting schedule and post it on the website.

Mr. Richardson said that was a perfect example of optimizing and stopping practices that we no longer needed.

MOTION: Mr. Smalls moved that the RSWA Board of Directors approve the 2023 Strategic Plan. Mr. Pinkston seconded the motion which carried unanimously (7-0).

Mr. Brian Pinkston left the meeting.

c. Presentation: Safety Program Update; Elizabeth Coleman, Safety Manager

Ms. Elizabeth Coleman, Safety Manager, explained OSHA described safety as a continuous improvement process that protected staff and reduced the number of workplace deaths, injuries, and illnesses. She explained safety was part of the strategic plan and the goal for operational optimization.

Ms. Coleman stated there were two strategies to meet the goals of our safety program—enhance the culture of safety and continually grow our culture of safety. She stated that the safety program included the written manual, safety training, equipment purchases, job procedures, new employee orientation, contractor safety, and emergency management.

Ms. Coleman stated there were 25 chapters in the safety manual, including topics such as fire prevention, outdoor safety, and chemical hygiene. She noted that they were updated annually.

Ms. Coleman stated there were seven departments performing a variety of tasks. She stated training requirements included annual training required by OSHA, periodic training every three years, and annual best practices training. She explained that each department had specific training needs, and not every department received the same training.

Ms. Coleman stated safety training took time, and the average hours spent in all types of training for companies of comparable size to the Authority was 63.9 hours per employee in 2021. She stated RSWA spent about 23 hours on safety training, and maintenance spent the most at 27.7 hours.

Ms. Coleman noted that COVID-19 caused difficulty in scheduling and hosting in-person training. She stated they had been able to provide virtual and in-person required training as necessary.

Ms. Coleman noted that important safety items had been purchased—spill containment for chemical storage jobs, new 55-gallon drum dollies, man-hole guardrails, and headsets.

Ms. Coleman noted that safety had been enhanced in several areas. She stated a convex mirror was installed at Ivy to help with traffic. She stated deteriorated steps were replaced at South Rivanna WTP, and smoke detectors were installed in the breakroom and sludge pump building at Moores Creek.

Ms. Coleman stated the safety suggestions were provided by staff to the Safety Committee.

She stated that monitoring of Contractor Safe Work Practices was also part of the Safety Program. As an example, a contractor had inspected the interior of the methane sphere using a drone. She stated they ventilated the sphere for approximately 18 hours and measured levels of methane continuously while entry of drone occurred. Another example of Contractor Safe Work proactive monitoring included lead paint abatement occurring at the South Rivanna facility. She explained that they were measuring air levels of lead as well as dust levels, and so far, it had been safely below 2 micrograms. She stated that, through this monitoring, they had been able to sandblast the lead paint and ensure safety for the staff.

Ms. Coleman stated they maintained the safety resources via one full-time Safety Manager and a staff Safety Committee. She stated there was a budget of approximately \$103K from RWSA and \$26K from RSWA, and they had received \$6K in grants this year.

Ms. Coleman noted there were declining annual incident rates for RWSA. She stated in 2018, there was 1.98. She stated that the industry average for water and sewer was 2.8 total recordable injury reports. She noted that they had reduced to 0.93 in 2019 and maintained about 0.9 through 2021.

Mr. Rogers asked if they would receive a rebate on the insurance.

Ms. Coleman noted that they had saved the insurer over \$200K, but they had not received a rebate.

Mr. Mawyer noted that there had been discussions with the insurance carrier about a reduction in costs. However, no cost reduction had been received to date.

Ms. Coleman explained that the industry average for solid waste in 2019 was 3.6 total recordable injuries reported. She stated in 2018, there were 13, and in 2019, there were 22 injuries reported. She stated in 2020, there were 8.7, and now they were at about the injury average of about 4 for 2021.

Ms. Coleman noted that many safety program improvements had been completed. She stated that they needed continual updates to protect human resources, enhance safety culture through safe work practices, maintain VOSH requirements, and provide a safe workplace.

10. OTHER ITEMS FROM BOARD/STAFF NOT ON AGENDA

There were no items.

11. CLOSED MEETING

There was no closed meeting.

12. ADJOURNMENT

At 3:59 p.m., Mr. Andrews moved to adjourn the meeting of the Rivanna Solid Waste Authority. Mr. Smalls seconded the motion, which passed 6-0. (Mr. Pinkston was not present)



MEMORANDUM

**TO: RIVANNA SOLID WASTE AUTHORITY
BOARD OF DIRECTORS**

FROM: BILL MAWYER, EXECUTIVE DIRECTOR

SUBJECT: EXECUTIVE DIRECTOR'S REPORT

DATE: JANUARY 24, 2023

STRATEGIC PLAN GOAL: COMMUNICATION & COLLABORATION

Board Chair Mike Gaffney Reappointed

We were very pleased that Mike Gaffney was reappointed to the RSWA Board by the Albemarle Board of Supervisors and the Charlottesville City Council as the joint City/County representative. This is Mr. Gaffney's 11th term (21st year) with our Board and his service is greatly appreciated.

City/County Updates

Quarterly update reports to Charlottesville City Council and the Albemarle County Board of Supervisors were provided this month, along with a presentation to City Council.

Remembering Cole Hendrix

Mr. Cole Hendrix, former City Manager and longtime Rivanna Authorities Board member, passed away on November 15, 2022. Mr. Hendrix was instrumental in the creation of the Rivanna Water and Sewer Authority in 1972 and the Rivanna Solid Waste Authority in 1994. Mr. Hendrix supported both authorities for many years as Board Secretary-Treasurer, Vice Chair, and briefly served as the Interim Executive Director. His vision and influence had a tremendous impact on the foundations of our Authorities.

STRATEGIC PLAN GOAL: PLANNING AND INFRASTRUCTURE

Baling Machine for the Paper Sort

A new baling machine was installed at the Paper Sort facility this month to replace the existing machine which had exceeded its service life and become unreliable. The baling facility and machine are essential components of our recycling program. Loose paper, plastic films and plastic containers are compressed and baled in this facility before being trucked to their recycling destination.

New Southern Albemarle Convenience Center

Construction continues on the new Southern Albemarle Convenience Center, with completion anticipated between March and May 2023 if the weather cooperates. Residents will be able to bring recycling materials and bagged refuse to this facility. Recycling materials will be trucked from the SACC to the Paper Sort facility for baling and processing. Refuse will be trucked to the Ivy Transfer Station, and then trucked to a landfill in Henrico County for disposal.



Grant Awards

The Virginia Department of Environmental Quality approved a grant award of \$45,707 for the Litter Prevention and Recycling Program. This award is an increase of \$7,587 from 2022. The grant funds will be used to support our recycling program.

We also received a \$17,000 grant from VDEQ to purchase a polyethylene-lined container for our Virginia Oyster Shell Recycling Program. The nature of the oyster shells (still containing salt, brine, butter, and other materials) created a very corrosive environment for our steel roll-off containers. A special lined container will be purchased to address this issue.

STRATEGIC PLAN GOAL: ENVIRONMENTAL STEWARDSHIP

Pumpkin Composting

Our 5th Annual *Great Pumpkin Smash* was held at McIntire Recycling Center from November 5th – 12th to encourage customers to compost their Halloween pumpkins.





MEMORANDUM

**TO: RIVANNA SOLID WASTE AUTHORITY
BOARD OF DIRECTORS**

**FROM: LONNIE WOOD, DIRECTOR OF FINANCE AND
ADMINISTRATION**

REVIEWED: BILL MAWYER, EXECUTIVE DIRECTOR

SUBJECT: NOVEMBER 2022 FINANCIAL SUMMARY

DATE: JANUARY 24, 2023

Total operating revenue for the first five months of this fiscal year was \$2.1 million, and total operating expenses were \$3.1 million, which results in a \$1.0 million net operating deficit. This is better than the estimated deficit of \$1.4 million per the prorated budget. Total funding support for operations and remediation through November was \$1,694,600. The Authority processed 133,547 tons of waste and recycling materials for this period. A breakdown of net revenue or cost per ton, including overhead and administrative support costs and excluding Ivy Environmental results is shown below.

	<u>Ivy Operations</u>	<u>Ivy Transfer</u>	<u>Recycling</u>	<u>Total</u>
Tonnage	110,178	22,508	861	133,547
Net operating revenue (costs)	\$ 243,094	\$ (343,015)	\$ (477,497)	\$ (577,418)
Net revenue (cost) per ton	\$ 2.21	\$ (15.24)	\$ (554.58)	\$ (4.32)

Some highlighted items are noted below and reference to the appropriate line item in the statement:

- A –** Clean Fill, Vegetative Waste, and MSW continue to bring in higher than expected revenues.
- B –** Wood Grinding costs were the cause for Ivy Operations to be significantly over budget.
- C –** Recycling costs are running over budget primarily due to engineering services costs for the paper sort that were unbudgeted.
- D –** Ivy Transfer Station disposal contract costs are over budget due to high MSW tonnages.
- E –** Ivy Environmental operations and maintenance expenses are currently over the prorated budget.
- F –** Vehicle and equipment maintenance costs are currently over the prorated budget for Ivy Operations, Ivy Transfer Station, and Recycling.

Attachments

**Rivanna Solid Waste Authority
Revenue and Expense Summary Report
FY 2023**

For November 2022

	Budget FY 2023	Budget YTD	Actual YTD	Variance \$	Variance %
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Revenues

Ivy Operations Tipping Fees	\$ 631,800	\$ 263,250	\$ 694,700	\$ 431,450	163.89%	A
Ivy Environmental Revenues	-	-	11,952	11,952		
Ivy MSW Transfer Tipping Fees	2,557,300	1,065,542	1,247,184	181,642	17.05%	A
County Convenience Centers	60,000	25,000	7,197	(17,803)	-71.21%	
Recycling Revenues	265,000	110,417	72,500	(37,916)	-34.34%	
Other Revenues Administration	20,000	8,333	32,521	24,188	290.25%	
Total Revenues	\$ 3,534,100	\$ 1,472,542	\$ 2,066,054	\$ 593,512	40.31%	

Expenses

Ivy Operations	\$ 668,327	\$ 278,469	\$ 364,685	\$ (86,216)	-30.96%	B, F
Ivy Environmental	792,311	330,130	368,494	(38,364)	-11.62%	E
Ivy MSW Transfer	3,283,892	1,368,288	1,503,279	(134,990)	-9.87%	D, F
County Convenience Centers	552,593	230,247	196,557	33,690	14.63%	
Recycling Operations	605,713	252,380	291,101	(38,720)	-15.34%	C, F
Administration	940,562	391,901	380,203	11,698	2.98%	
Total Expenses	\$ 6,843,397	\$ 2,851,415	\$ 3,104,318	\$ (252,902)	-8.87%	

Net Operating Income (Loss)	\$ (3,309,297)	\$ (1,378,874)	\$ (1,038,264)	\$ 340,610	24.70%
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Other Funding Sources

Local Government Support	\$ 2,240,818	\$ 933,674	\$ 1,120,410	\$ 186,736	20.00%
Environmental Support	1,068,480	445,200	574,231	129,031	28.98%
Subtotal	\$ 3,309,298	\$ 1,378,874	\$ 1,694,641	\$ 315,766	22.90%

Net Income (Loss)	\$ 1	\$ 0	\$ 656,377	\$ 656,377
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Local Support Detail

			Annualized Payments	True-up Est. Due to / (Due from)
County - Ivy Operations	\$ 266,667	\$ 111,111	\$ 111,111	\$ 354,205
County - Ivy Transfer	956,733	398,639	398,639	55,623
County - Convenience Centers	492,593	205,247	205,247	15,887
County - Recycling	367,378	153,074	153,074	(48,622)
County - Environmental MOU	637,581	265,659	53,132	-
	\$ 2,720,951	\$ 1,133,730	\$ 921,203	\$ 377,094
City - Recycling	\$ 157,448	\$ 65,603	\$ -	(86,441)
City - Environmental MOU	350,917	146,215	175,459	-
	\$ 508,365	\$ 211,819	\$ 175,459	\$ (86,441)
UVa - Environmental MOU	\$ 79,982	\$ 33,326	\$ 6,665	\$ -
Total Local Support	\$ 3,309,298	\$ 1,378,874	\$ 1,103,326	\$ 290,653

Rivanna Solid Waste Authority
Fiscal Year 2023 - November 2022
Revenue and Expense Summary Report

FY 2023			Variance \$	Variance %
Budget FY 2023	Budget YTD	Actual YTD		

Ivy Operations

Revenues

Clean fill material	\$ 200,000	\$ 83,333	\$ 480,026	396,693	476.03%	A
Grindable material	264,000	110,000	146,815	36,815	33.47%	A
Tires whole	22,800	9,500	18,488	8,988	94.61%	
Tires and white good per item	45,000	18,750	19,915	1,165	6.21%	
Material Sales	100,000	41,667	29,456	(12,211)	-29.31%	

Total Operations Revenues

\$ 631,800	\$ 263,250	\$ 694,700	\$ 431,450	163.89%
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Expenses

Personnel Cost	\$ 274,552	\$ 114,397	\$ 106,957	\$ 7,439	6.50%	
Professional Services	-	-	-	-		
Other Services and Charges	27,700	11,542	13,224	(1,683)	-14.58%	
Communications	1,800	750	739	11	1.45%	
Information Technology	6,275	2,615	2,187	428	16.37%	
Vehicles and Equip. Maintenance	47,000	19,583	39,055	(19,471)	-99.43%	F
Supplies	1,000	417	1,862	(1,445)	-346.91%	
Operations and Maintenance	175,000	72,917	144,411	(71,495)	-98.05%	B
Environmental Remediations	-	-	-	-		
Equipment Replacement	135,000	56,250	56,250	-	0.00%	

Total Operations Expenses

\$ 668,327	\$ 278,469	\$ 364,685	\$ (86,216)	-30.96%
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Allocation of Administration Costs

230,141	95,892	86,920	8,971	9.36%
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Expenses With Admin Allocations

\$ 898,467	\$ 374,361	\$ 451,606	\$ (77,244)	-20.63%
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Net Operating Income (Loss)

\$ (266,667)	\$ (111,111)	\$ 243,094	354,205	-318.78%
			354,205	

Summary of Local Support

County	\$ 266,667	\$ 111,111	\$ 111,111	\$ -
	\$ 266,667	\$ 111,111	\$ 111,111	\$ -

Estimated True-up

\$ 354,205

Rivanna Solid Waste Authority
Fiscal Year 2023 - November 2022
Revenue and Expense Summary Report

Ivy Environmental

FY 2023			Variance \$	Variance %
Budget FY 2023	Budget YTD	Actual YTD		

Revenues

Forestry Management Revenue	\$ -	\$ -	\$ 11,952	11,952
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Total Operations Revenues

\$ -	\$ -	\$ 11,952	\$ 11,952	
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Expenses

Personnel Cost	\$ 192,711	\$ 80,296	\$ 76,565	\$ 3,732	4.65%
Professional Services	-	-	6,917	(6,917)	
Other Services and Charges	12,700	5,292	1,488	3,803	71.88%
Communications	1,000	417	104	312	74.94%
Information Technology	1,000	417	-	417	100.00%
Vehicles and Equip. Maintenance	19,900	8,292	7,805	486	5.87%
Supplies	-	-	2	(2)	
Operations and Maintenance	176,500	73,542	94,775	(21,233)	-28.87%
Environmental Remediations	233,500	97,292	115,224	(17,932)	-18.43%
Equipment Replacement	155,000	64,583	65,614	(1,030)	-1.60%

Total Operations Expenses

\$ 792,311	\$ 330,130	\$ 368,494	\$ (38,364)	-11.62%
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Allocation of Administration Costs

276,169	115,070	104,305	10,766	9.36%
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Expenses With Admin Allocations

\$ 1,068,479	\$ 445,200	\$ 472,798	\$ (27,599)	-6.20%
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Net Operating Income (Loss)

\$ (1,068,479)	\$ (445,200)	\$ (460,846)	(15,646)	3.51%
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Summary of Local Support				
County	\$ 637,581	\$ 265,659	\$ 53,132	\$ 212,527
City	350,917	146,215	175,459	(29,243)
Uva	79,982	33,326	6,665	26,661
	\$ 1,068,480	\$ 445,200	\$ 235,255	\$ 209,945

Rivanna Solid Waste Authority
Fiscal Year 2023 - November 2022
Revenue and Expense Summary Report

Ivy Transfer Station

FY 2023			Variance \$	Variance %
Budget FY 2023	Budget YTD	Actual YTD		

Revenues

MSW / Construction Debris	\$ 2,392,000	\$ 996,667	\$ 1,190,401	\$ 193,734	19.44%	A
Compostable Material	62,300	25,958	-	(25,958)	-100.00%	
Service Charges / other revenues	103,000	42,917	56,783	13,866	32.31%	
Total Operations Revenues	\$ 2,557,300	\$ 1,065,542	\$ 1,247,184	\$ 181,642	17.05%	

Expenses

Personnel Cost	\$ 575,035	\$ 239,598	\$ 221,978	\$ 17,620	7.35%	
Professional Services	-	-	-	-		
Other Services and Charges	111,650	46,521	13,366	33,155	71.27%	
Communications	2,000	833	523	310	37.22%	
Information Technology	12,500	5,208	2,003	3,206	61.55%	
Vehicles and Equip. Maintenance	55,000	22,917	55,090	(32,174)	-140.39%	F
Supplies	3,000	1,250	5,583	(4,333)	-346.65%	
Operations and Maintenance	2,426,207	1,010,920	1,167,235	(156,316)	-15.46%	D
Environmental Remediations	3,500	1,458	-	1,458	100.00%	
Equipment Replacement	95,000	39,583	37,500	2,083	5.26%	
Total Operations Expenses	\$ 3,283,892	\$ 1,368,288	\$ 1,503,279	\$ (134,990)	-9.87%	
Allocation of Administration Costs	230,141	95,892	86,920	8,971	9.36%	
Expenses With Admin Allocations	\$ 3,514,033	\$ 1,464,180	\$ 1,590,199	\$ (126,019)	-8.61%	

Net Operating Income (Loss) \$ (956,733) \$ (398,639) \$ (343,015) 55,623 -13.95%

Summary of Local Support

County	\$ 956,733	\$ 398,639	\$ 398,639	\$ -
City	-	-	-	-
	\$ 956,733	\$ 398,639	\$ 398,639	\$ -

Estimated True-up \$ 55,623

Rivanna Solid Waste Authority
Fiscal Year 2023 - November 2022
Revenue and Expense Summary Report

County Convenience Centers

Revenues

Material Sales	\$ 60,000	\$ 25,000	\$ 7,197	\$ (17,803)	-71.21%
Total Operations Revenues	\$ 60,000	\$ 25,000	\$ 7,197	\$ (17,803)	-71.21%

Expenses

Personnel Cost	\$ 378,293	\$ 157,622	\$ 145,749	\$ 11,873	7.53%
Professional Services	-	-	-	-	
Other Services and Charges	10,300	4,292	1,253	3,038	70.79%
Communications	-	-	218	(218)	
Information Technology	-	-	-	-	
Vehicles and Equip. Maintenance	105,000	43,750	24,409	19,341	44.21%
Supplies	-	-	4	(4)	
Operations and Maintenance	4,000	1,667	2,006	(339)	-20.36%
Environmental Remediations	-	-	-	-	
Equipment Replacement	55,000	22,917	22,917	0	0.00%
Total Operations Expenses	\$ 552,593	\$ 230,247	\$ 196,557	\$ 33,690	14.63%
Allocation of Administration Costs	-	-	-	-	
Expenses With Admin Allocations	\$ 552,593	\$ 230,247	\$ 196,557	\$ 33,690	14.63%
Net Operating Income (Loss)	\$ (492,593)	\$ (205,247)	\$ (189,360)	15,887	-7.74%

Summary of Local Support					
County	\$ 492,593	\$ 205,247	\$ 205,247	\$ -	
	\$ 492,593	\$ 205,247	\$ 205,247	\$ -	

Estimated True-up \$ 15,887

Rivanna Solid Waste Authority
Fiscal Year 2023 - November 2022
Revenue and Expense Summary Report

FY 2023			Variance \$	Variance %
Budget FY 2023	Budget YTD	Actual YTD		

Recycling

McIntire & Paper Sort

Revenues

Material Sales & other revenues	\$ 230,000	\$ 95,833	\$ 70,500	\$ (25,333)	-26.43%
Grants	35,000	14,583	2,000	(12,583)	-86.29%

Total Operations Revenues	\$ 265,000	\$ 110,417	\$ 72,500	\$ (37,916)	-34.34%
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Expenses

Personnel Cost	\$ 309,413	\$ 128,922	\$ 122,459	\$ 6,463	5.01%
Professional Services	-	-	21,467	(21,467)	C
Other Services and Charges	49,100	20,458	21,573	(1,115)	-5.45%
Communications	2,150	896	1,450	(555)	-61.91%
Information Technology	-	-	-	-	0.00%
Vehicles and Equip. Maintenance	68,000	28,333	43,955	(15,622)	-55.13% F
Supplies	1,050	438	1,253	(816)	-186.50%
Operations and Maintenance	76,000	31,667	37,276	(5,609)	-17.71%
Environmental Remediations	-	-	-	-	0.00%
Equipment Replacement	100,000	41,667	41,667	0	0.00%
Total Operations Expenses	\$ 605,713	\$ 252,380	\$ 291,101	\$ (38,720)	-15.34%
Allocation of Administration Costs	184,112	76,714	69,536	7,177	9.36%
Expenses With Admin Allocations	\$ 789,825	\$ 329,094	\$ 360,637	\$ (31,543)	-9.58%

Net Operating Income (Loss)	\$ (524,825)	\$ (218,677)	\$ (288,137)	(69,460)	31.76%
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Summary of Local Support				
County	\$ 367,378	\$ 153,074	\$ 153,074	\$ -
City	157,448	65,603	-	\$ 65,603
	\$ 524,825	\$ 218,677	\$ 153,074	\$ 65,603

Estimated True-up - County	\$ (48,622)
Estimated True-up - City	\$ (86,441)

Rivanna Solid Waste Authority
Fiscal Year 2023 - November 2022
Revenue and Expense Summary Report

Administration

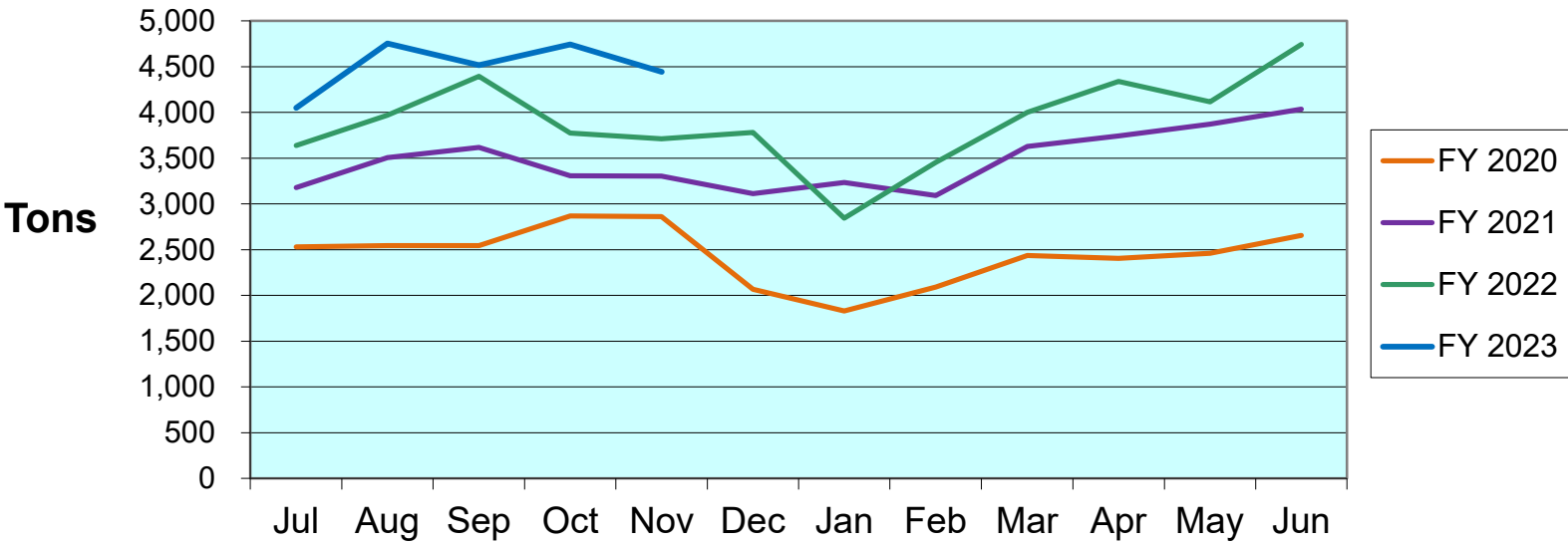
Revenues

FY 2023					
Budget FY 2023	Budget YTD	Actual YTD	Variance \$	Variance %	
Interest revenues	\$ 5,000	\$ 2,083	\$ 23,785	\$ 21,702	1041.70%
Late Fees	15,000	6,250	8,735	2,485	39.77%
Total Operations Revenues	\$ 20,000	\$ 8,333	\$ 32,521	\$ 24,188	290.25%
Expenses					
Personnel Cost	\$ 171,662	\$ 71,526	\$ 76,925	\$ (5,399)	-7.55%
Professional Services	50,000	20,833	4,913	15,920	76.42%
Other Services and Charges	708,700	295,292	295,770	(478)	-0.16%
Communications	5,200	2,167	1,017	1,150	53.06%
Information Technology	3,500	1,458	1,325	133	9.14%
Vehicles and Equip. Maintenance	-	-	-	-	
Supplies	1,500	625	253	372	59.58%
Operations and Maintenance	-	-	-	-	
Environmental Remediations	-	-	-	-	
Equipment Replacement	-	-	-	-	
Subtotal Before Allocations	\$ 940,562	\$ 391,901	\$ 380,203	\$ 11,698	2.98%
Net Operating Income (Loss)	\$ (920,562)	\$ (383,568)	\$ (347,682)	35,886	-9.36%

Allocation to Cost Centers (per agreement)

	Allocation %						
Ivy Operations	25%	\$ 230,141	\$ 95,892	\$ 86,920	\$ 8,971	-62.23%	
Ivy Environmental	30%	276,169	115,070	104,305	10,766	-62.23%	
Ivy Transfer	25%	230,141	95,892	86,920	8,971	-62.23%	
County Convenience Centers	0%	-	-	-	-		
Recycling	20%	184,112	76,714	69,536	7,177	-62.23%	
Total Allocation to Cost Centers	100%	\$ 920,562	\$ 383,568	\$ 347,682	\$ 35,886	-62.23%	

**Rivanna Solid Waste Authority
Ivy MSW Transfer Tonnages
FY 2020 - 2023**





MEMORANDUM

**TO: RIVANNA SOLID WASTE AUTHORITY
BOARD OF DIRECTORS**

**FROM: DAVID RHOADES, SOLID WASTE MANAGER
PHILLIP MCKALIPS, DIRECTOR OF SOLID WASTE**

REVIEWED BY: BILL MAWYER, EXECUTIVE DIRECTOR

**SUBJECT: IVY MATERIAL UTILIZATION CENTER REPORT/
RECYCLING OPERATIONS UPDATE**

DATE: JANUARY 24, 2023

Ivy Material Utilization Center (IMUC) : DEQ Permit 132: 450 tons/day MSW limit

November 2022

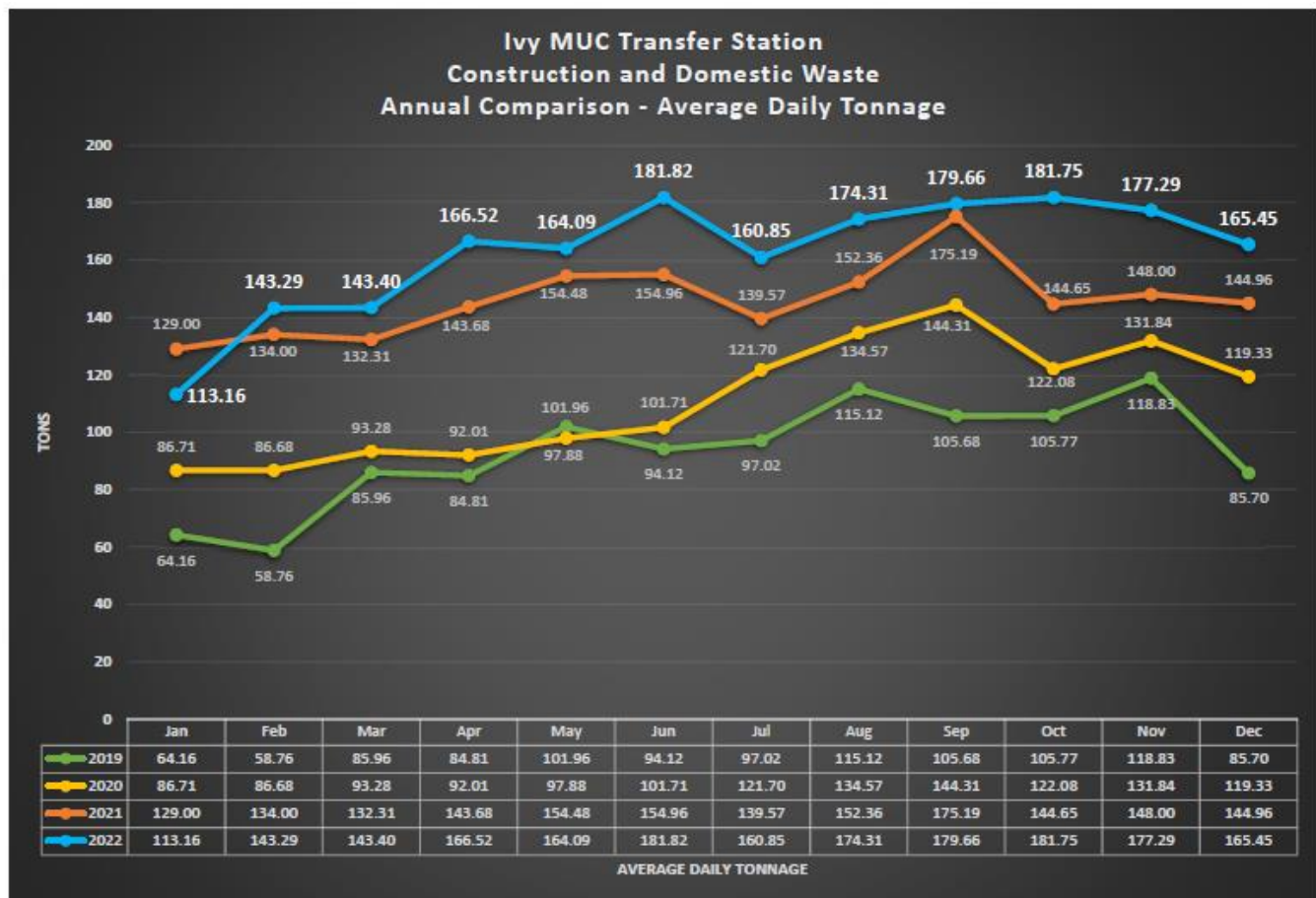
- **7,237 vehicles crossed the scales**
- The IMUC transfer station operated 25 days and received a total of 4,444.52 tons of municipal solid waste (MSW), an average of 177.78 tons per day of operation. The monthly transfer station tonnage figures are attached to this report.
- 27,413.27 tons of non-MSW materials were received
- 31,857.79 tons were received as a combined total tonnage (MSW + non-MSW)

December 2022

- **5,713 vehicles crossed the scales**
- The IMUC transfer station operated 26 days and received a total of 4,316.45 tons of municipal solid waste (MSW), an average of 166.02 tons per day of operation. The monthly transfer station tonnage figures are attached to this report.
- 10,801.66 tons of non-MSW materials were received
- 15,118.11 tons were received as a combined total tonnage (MSW + non-MSW)

Transfer Station Update

We are generally receiving about 10% more waste each day than last year. Our average daily tonnages are generally following seasonal trends, as shown on the following figure.



Large Clean Fill Project Program

The Large Clean Fill Project Program pilot approved at the January 25, 2022 Board of Directors Meeting was a success. Starting May 27, 2022, Faulconer Construction Company entered into a new Large Clean Fill Program agreement to bring clean fill material from several of their construction projects in the local area. A current agreement with Faulconer Construction will continue to April 2, 2023.

As of January 11, 2023, Ivy has received 174,637.19 tons of clean fill material. At the \$3.50 per ton tipping fee, this equates to approximately \$604,000 of revenue.

Southern Albemarle Convenience Center

Construction continues on the Southern Albemarle Convenience Center (SACC). Stormwater controls have been installed, site clearing completed, and grading is underway. The remaining County permits have been received (Electrical and Building). The Contractor, Findley Asphalt and Concrete, will be continuing to work at the site placing concrete, piping, and paving as the weather allows. Completion of the facility is expected to occur in the March to May 2023 time frame depending on the weather.



Compostable Food Waste Collection:

This program continues to operate smoothly at the IMUC and is a free service for County residents. A similar bin has been placed at the Transfer Station for the receipt of compostable food wastes from commercial customers. Commercial customers are charged the established disposal fee of \$178 per ton.

The McIntire Recycle Center received 6.78 tons of compostable materials from residents in November. The McIntire Recycle Center received 9.15 tons of compostable materials from residents in December. The Ivy Convenience Center received 0.45 tons of compostable materials from residents in November. The Ivy Convenience Center received 0.48 tons of compostable materials from residents in December.

Fall HHW and Bulky Waste Totals:

Saturday, October 15, 2022: Tires

A total of 111 vehicles participated, including 93 from the County and 18 from the City. 62.27 tons of tires were shipped to the end user.

Oyster Shell Recycling Program Grant:

Each year, the Virginia Department of Environmental Quality (VDEQ) allows local government agencies to apply for grants under their Litter Prevention and Recycling Program. As part of this program, they accept applications in two different categories, Non-Competitive Grants and Competitive Grants. We apply for the Non-Competitive Grants on behalf of the City and County, and the funds received from this grant are applied directly to our Recycling cost center. For the last three years, we have additionally applied for a Competitive Grant which is intended to be focused on specific projects. In our case, we've applied to obtain funding to replace the metal roll-off container in which we collect oyster shells as part of our participation in the Virginia Oyster Shell Recycling Program (VOSRP). The container that we inherited when we got into the program in 2019 was well used.

The nature of the oyster shells and the condition when they are placed in the container (still containing salt, brine, butter, and other materials) seem to create a very corrosive environment for the steel roll-off containers. Because of this, we understood that it was going to need to be replaced or have extensive repairs. After researching the possibility of repairing the existing container, it became apparent that it was more cost effective to replace it. Since it appeared that replacement would be the best path forward, we also realized that moving away from a steel container to a polyethylene-lined container would be the most optimal choice. Unfortunately, "poly" roll-off containers are more expensive than regular ones. For that reason, we began to apply to for the Competitive Grants to provide funding to replace this container with a new, poly roll-off.

Our applications were unsuccessful for the 2020 and 2021 Grant Years, but we were pleased to find that VDEQ selected our project and is providing the full \$17,000 funding request to purchase a new poly roll-off for the VOSRP program. We are in the process of procurement for the container and hope to have it purchased shortly. We intend to have a ribbon cutting event to celebrate this great addition to the program and intend to invite our Board, VDEQ, VOSRP, and our volunteers (including Brown Advisory who helped us out at our last oyster shell bagging event) thank them for their participation and support in this valuable program.

Paper Sort Baler Replacement:

As agreed at the September 28, 2021 Board of Directors meeting, and order was placed to replace the aged baling machine at the Paper Sort facility. The new baling machine has arrived and is being installed.



Old baler being removed.



New baler in the process of being installed

**MEMORANDUM**

TO: RIVANNA SOLID WASTE AUTHORITY BOARD OF DIRECTORS

FROM: LONNIE WOOD, DIRECTOR OF FINANCE & ADMINISTRATION
BETSY NEMETH, HUMAN RESOURCES MANAGER

REVIEWED BY: BILL MAWYER, EXECUTIVE DIRECTOR

SUBJECT: APPROVAL OF FLEXIBLE BENEFITS PLAN

DATE: JANUARY 24, 2023

This request is for approval of our updated Cafeteria Plan for flexible employee pre-tax health benefits. As of November 2022, the Rivanna Solid Waste Authority's Cafeteria Plan has been updated by our plan administrator, Flexible Benefits Administrators. The plan has been updated to reflect increases in pre-tax contributions to, and increases in the annual carryover amounts for, flexible spending accounts, as allowed by the Internal Revenue Service.

A Cafeteria Plan is a written plan maintained by an employer for employees that meet the specific requirements and regulations of section 125 of the Internal Revenue Code. It provides participants an opportunity to receive certain benefits on a pretax basis. The Cafeteria Plan specifically describes the benefits plans and establishes rules of eligibility and elections. Employer contributions to the Cafeteria Plan are usually made pursuant to salary reduction agreements between the employer and the employee in which the employee agrees to contribute a portion of his or her salary on a pre-tax basis to pay for the qualified benefits. Salary reduction contributions are not actually or constructively received by the participant. Therefore, those contributions are not considered wages for federal income tax purposes. In addition, those sums generally are not subject to FICA and FUTA.

Board Action Requested:

Approve the updated Cafeteria Plan document and authorize the Executive Director to execute all related documents. The updated Cafeteria Plan will be effective immediately.

Attachments

**RIVANNA SOLID WASTE AUTHORITY
FLEXIBLE BENEFIT PLAN**

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**RIVANNA SOLID WASTE AUTHORITY
FLEXIBLE BENEFIT PLAN**

INTRODUCTION

The Employer has amended this Plan effective July 1, 2022, to recognize the contribution made to the Employer by its Employees. Its purpose is to reward them by providing benefits for those Employees who shall qualify hereunder and their Dependents and beneficiaries. The concept of this Plan is to allow Employees to choose among different types of benefits based on their own particular goals, desires and needs. This Plan is a restatement of a Plan which was originally effective on January 1, 2006. The Plan shall be known as Rivanna Solid Waste Authority Flexible Benefit Plan (the "Plan").

The intention of the Employer is that the Plan qualify as a "Cafeteria Plan" within the meaning of Section 125 of the Internal Revenue Code of 1986, as amended, and that the benefits which an Employee elects to receive under the Plan be excludable from the Employee's income under Section 125(a) and other applicable sections of the Internal Revenue Code of 1986, as amended.

**ARTICLE I
DEFINITIONS**

1.1 **"Administrator"** means the Employer unless another person or entity has been designated by the Employer pursuant to Section 9.1 to administer the Plan on behalf of the Employer. If the Employer is the Administrator, the Employer may appoint any person, including, but not limited to, the Employees of the Employer, to perform the duties of the Administrator. Any person so appointed shall signify acceptance by filing written acceptance with the Employer. Upon the resignation or removal of any individual performing the duties of the Administrator, the Employer may designate a successor.

1.2 **"Affiliated Employer"** means the Employer and any corporation which is a member of a controlled group of corporations (as defined in Code Section 414(b)) which includes the Employer; any trade or business (whether or not incorporated) which is under common control (as defined in Code Section 414(c)) with the Employer; any organization (whether or not incorporated) which is a member of an affiliated service group (as defined in Code Section 414(m)) which includes the Employer; and any other entity required to be aggregated with the Employer pursuant to Treasury regulations under Code Section 414(o).

1.3 **"Benefit" or "Benefit Options"** means any of the optional benefit choices available to a Participant as outlined in Section 4.1.

1.4 **"Cafeteria Plan Benefit Dollars"** means the amount available to Participants to purchase Benefit Options as provided under Section 4.1. Each dollar contributed to this Plan shall be converted into one Cafeteria Plan Benefit Dollar.

1.5 **"Code"** means the Internal Revenue Code of 1986, as amended or replaced from time to time.

1.6 **"Compensation"** means the amounts received by the Participant from the Employer during a Plan Year.

1.7 **"Dependent"** means any individual who qualifies as a dependent under an Insurance Contract for purposes of coverage under that Contract only or under Code Section 152 (as modified by Code Section 105(b)).

"Dependent" shall include any Child of a Participant who is covered under an Insurance Contract, as defined in the Contract, or under the Health Flexible Spending Account or as allowed by reason of the Affordable Care Act.

For purposes of the Health Flexible Spending Account, a Participant's "Child" includes his/her natural child, stepchild, foster child, adopted child, or a child placed with the Participant for adoption. A Participant's Child will be an eligible Dependent until reaching the limiting age of 26, without regard to student status, marital status, financial dependency or residency status with the Employee or any other person. When the child reaches the applicable limiting age, coverage will end at the end of the calendar year.

The phrase "placed for adoption" refers to a child whom the Participant intends to adopt, whether or not the adoption has become final, who has not attained the age of 18 as of the date of such placement for adoption. The term "placed" means the assumption and retention by such Employee of a legal obligation for total or partial support of the child in anticipation of adoption of the child. The child must be available for adoption and the legal process must have commenced.

1.8 **"Effective Date"** means January 1, 2006.

1.9 **"Election Period"** means the period immediately preceding the beginning of each Plan Year established by the Administrator, such period to be applied on a uniform and nondiscriminatory basis for all Employees and Participants. However, an Employee's initial Election Period shall be determined pursuant to Section 5.1.

1.10 **"Eligible Employee"** means any Employee who has satisfied the provisions of Section 2.1.

An individual shall not be an "Eligible Employee" if such individual is not reported on the payroll records of the Employer as a common law employee. In particular, it is expressly intended that individuals not treated as common law employees by the

Employer on its payroll records are not "Eligible Employees" and are excluded from Plan participation even if a court or administrative agency determines that such individuals are common law employees and not independent contractors.

However, any Employee who is a "part-time" Employee shall not be eligible to participate in this Plan. A "part-time" Employee is any Employee who works, or is expected to work on a regular basis, less than 30 hours a week and is designated as a part-time Employee on the Employer's personnel records.

1.11 **"Employee"** means any person who is employed by the Employer. The term Employee shall include leased employees within the meaning of Code Section 414(n)(2).

1.12 **"Employer"** means Rivanna Solid Waste Authority and any successor which shall maintain this Plan; and any predecessor which has maintained this Plan. In addition, where appropriate, the term Employer shall include any Participating, Affiliated or Adopting Employer.

1.13 **"Grace Period"** means, with respect to any Plan Year, the time period ending on the fifteenth day of the third calendar month after the end of such Plan Year, during which Employment-Related Dependent Care Expenses incurred by a Participant will be deemed to have been incurred during such Plan Year.

1.14 **"Insurance Contract"** means any contract issued by an Insurer underwriting a Benefit.

1.15 **"Insurance Premium Payment Plan"** means the plan of benefits contained in Section 4.1 of this Plan, which provides for the payment of Premium Expenses.

1.16 **"Insurer"** means any insurance company that underwrites a Benefit under this Plan.

1.17 **"Key Employee"** means an Employee described in Code Section 416(i)(1) and the Treasury regulations thereunder.

1.18 **"Participant"** means any Eligible Employee who elects to become a Participant pursuant to Section 2.3 and has not for any reason become ineligible to participate further in the Plan.

1.19 **"Plan"** means this instrument, including all amendments thereto.

1.20 **"Plan Year"** means the 12-month period beginning July 1 and ending June 30. The Plan Year shall be the coverage period for the Benefits provided for under this Plan. In the event a Participant commences participation during a Plan Year, then the initial coverage period shall be that portion of the Plan Year commencing on such Participant's date of entry and ending on the last day of such Plan Year.

1.21 **"Premium Expenses" or "Premiums"** mean the Participant's cost for the Benefits described in Section 4.1.

1.22 **"Premium Expense Reimbursement Account"** means the account established for a Participant pursuant to this Plan to which part of his Cafeteria Plan Benefit Dollars may be allocated and from which Premiums of the Participant may be paid or reimbursed. If more than one type of insured Benefit is elected, sub-accounts shall be established for each type of insured Benefit.

1.23 **"Salary Redirection"** means the contributions made by the Employer on behalf of Participants pursuant to Section 3.1. These contributions shall be converted to Cafeteria Plan Benefit Dollars and allocated to the funds or accounts established under the Plan pursuant to the Participants' elections made under Article V.

1.24 **"Salary Redirection Agreement"** means an agreement between the Participant and the Employer under which the Participant agrees to reduce his Compensation or to forego all or part of the increases in such Compensation and to have such amounts contributed by the Employer to the Plan on the Participant's behalf. The Salary Redirection Agreement shall apply only to Compensation that has not been actually or constructively received by the Participant as of the date of the agreement (after taking this Plan and Code Section 125 into account) and, subsequently does not become currently available to the Participant.

1.25 **"Spouse"** means spouse as determined under Federal law.

ARTICLE II PARTICIPATION

2.1 ELIGIBILITY

Any Eligible Employee shall be eligible to participate hereunder as of his date of employment (or the Effective Date of the Plan, if later). However, any Eligible Employee who was a Participant in the Plan on the effective date of this amendment shall continue to be eligible to participate in the Plan.

2.2 EFFECTIVE DATE OF PARTICIPATION

An Eligible Employee shall become a Participant effective as of the first day of the month coinciding with or next following the date on which he met the eligibility requirements of Section 2.1.

2.3 APPLICATION TO PARTICIPATE

An Employee who is eligible to participate in this Plan shall, during the applicable Election Period, complete an application to participate in a manner set forth by the Administrator. The election shall be irrevocable until the end of the applicable Plan Year unless the Participant is entitled to change his Benefit elections pursuant to Section 5.4 hereof.

An Eligible Employee shall also be required to complete a Salary Redirection Agreement during the Election Period for the Plan Year during which he wishes to participate in this Plan. Any such Salary Redirection Agreement shall be effective for the first pay period beginning on or after the Employee's effective date of participation pursuant to Section 2.2.

2.4 TERMINATION OF PARTICIPATION

A Participant shall no longer participate in this Plan upon the occurrence of any of the following events:

- (a) **Termination of employment.** The Participant's termination of employment, subject to the provisions of Section 2.6;
- (b) **Change in employment status.** The end of the Plan Year during which the Participant became a limited Participant because of a change in employment status pursuant to Section 2.5;
- (c) **Death.** The Participant's death, subject to the provisions of Section 2.7; or
- (d) **Termination of the plan.** The termination of this Plan, subject to the provisions of Section 10.2.

2.5 CHANGE OF EMPLOYMENT STATUS

If a Participant ceases to be eligible to participate because of a change in employment status or classification (other than through termination of employment), the Participant shall become a limited Participant in this Plan for the remainder of the Plan Year in which such change of employment status occurs. As a limited Participant, no further Salary Redirection may be made on behalf of the Participant, and, except as otherwise provided herein, all further Benefit elections shall cease, subject to the limited Participant's right to continue coverage under any Insurance Contracts. However, any balances in the limited Participant's Dependent Care Flexible Spending Account may be used during such Plan Year to reimburse the limited Participant for any allowable Employment-Related Dependent Care incurred during the Plan Year. Subject to the provisions of Section 2.6, if the limited Participant later becomes an Eligible Employee, then the limited Participant may again become a full Participant in this Plan, provided he otherwise satisfies the participation requirements set forth in this Article II as if he were a new Employee and made an election in accordance with Section 5.1.

2.6 TERMINATION OF EMPLOYMENT

If a Participant's employment with the Employer is terminated for any reason other than death, his participation in the Benefit Options provided under Section 4.1 shall be governed in accordance with the following:

- (a) **Insurance Benefit.** With regard to Benefits which are insured, the Participant's participation in the Plan shall cease, subject to the Participant's right to continue coverage under any Insurance Contract for which premiums have already been paid.
- (b) **Dependent Care FSA.** With regard to the Dependent Care Flexible Spending Account, the Participant's participation in the Plan shall cease and no further Salary Redirection contributions shall be made. However, such Participant may submit claims for employment related Dependent Care Expense reimbursements for claims incurred through the remainder of the Plan Year in which such termination occurs and submitted within 90 days after the end of the Plan Year, based on the level of the Participant's Dependent Care Flexible Spending Account as of the date of termination.
- (c) **COBRA applicability.** With regard to the Health Flexible Spending Account, the Participant may submit claims for expenses that were incurred during the portion of the Plan Year before the end of the period for which payments to the Health Flexible Spending Account have already been made. Thereafter, the health benefits under this Plan including the Health Flexible Spending Account shall be applied and administered consistent with such further rights a Participant and his Dependents may be entitled to pursuant to Code Section 4980B and Section 11.14 of the Plan.

2.7 DEATH

If a Participant dies, his participation in the Plan shall cease. However, such Participant's spouse or Dependents may submit claims for expenses or benefits for the remainder of the Plan Year or until the Cafeteria Plan Benefit Dollars allocated to each specific benefit are exhausted. In no event may reimbursements be paid to someone who is not a spouse or Dependent. If the Plan is subject to the

provisions of Code Section 4980B, then those provisions and related regulations shall apply for purposes of the Health Flexible Spending Account.

ARTICLE III CONTRIBUTIONS TO THE PLAN

3.1 SALARY REDIRECTION

Benefits under the Plan shall be financed by Salary Redirections sufficient to support Benefits that a Participant has elected hereunder and to pay the Participant's Premium Expenses. The salary administration program of the Employer shall be revised to allow each Participant to agree to reduce his pay during a Plan Year by an amount determined necessary to purchase the elected Benefit Options. The amount of such Salary Redirection shall be specified in the Salary Redirection Agreement and shall be applicable for a Plan Year. Notwithstanding the above, for new Participants, the Salary Redirection Agreement shall only be applicable from the first day of the pay period following the Employee's entry date up to and including the last day of the Plan Year. These contributions shall be converted to Cafeteria Plan Benefit Dollars and allocated to the funds or accounts established under the Plan pursuant to the Participants' elections made under Article IV.

Any Salary Redirection shall be determined prior to the beginning of a Plan Year (subject to initial elections pursuant to Section 5.1) and prior to the end of the Election Period and shall be irrevocable for such Plan Year. However, a Participant may revoke a Benefit election or a Salary Redirection Agreement after the Plan Year has commenced and make a new election with respect to the remainder of the Plan Year, if both the revocation and the new election are on account of and consistent with a change in status and such other permitted events as determined under Article V of the Plan and consistent with the rules and regulations of the Department of the Treasury. Salary Redirection amounts shall be contributed on a pro rata basis for each pay period during the Plan Year. All individual Salary Redirection Agreements are deemed to be part of this Plan and incorporated by reference hereunder.

3.2 APPLICATION OF CONTRIBUTIONS

As soon as reasonably practical after each payroll period, the Employer shall apply the Salary Redirection to provide the Benefits elected by the affected Participants. Any contribution made or withheld for the Health Flexible Spending Account or Dependent Care Flexible Spending Account shall be credited to such fund or account. Amounts designated for the Participant's Premium Expense Reimbursement Account shall likewise be credited to such account for the purpose of paying Premium Expenses.

3.3 PERIODIC CONTRIBUTIONS

Notwithstanding the requirement provided above and in other Articles of this Plan that Salary Redirections be contributed to the Plan by the Employer on behalf of an Employee on a level and pro rata basis for each payroll period, the Employer and Administrator may implement a procedure in which Salary Redirections are contributed throughout the Plan Year on a periodic basis that is not pro rata for each payroll period. However, with regard to the Health Flexible Spending Account, the payment schedule for the required contributions may not be based on the rate or amount of reimbursements during the Plan Year.

ARTICLE IV BENEFITS

4.1 BENEFIT OPTIONS

Each Participant may elect any one or more of the following optional Benefits:

- (1) Health Flexible Spending Account
- (2) Dependent Care Flexible Spending Account
- (3) Insurance Premium Payment Plan
 - (i) Health Insurance Benefit
 - (ii) Dental Insurance Benefit
 - (iii) Group-Term Life Insurance Benefit
 - (iv) Disability Insurance Benefit
 - (v) Cancer Insurance Benefit
 - (vi) Vision Insurance Benefit
 - (vii) Accident Insurance Benefit

- (4) Health Savings Account Benefit

4.2 HEALTH FLEXIBLE SPENDING ACCOUNT BENEFIT

Each Participant may elect to participate in the Health Flexible Spending Account option, in which case Article VI shall apply.

4.3 DEPENDENT CARE FLEXIBLE SPENDING ACCOUNT BENEFIT

Each Participant may elect to participate in the Dependent Care Flexible Spending Account option, in which case Article VII shall apply.

4.4 HEALTH INSURANCE BENEFIT

(a) **Coverage for Participant and Dependents.** Each Participant may elect to be covered under a health Insurance Contract for the Participant, his or her Spouse, and his or her Dependents.

(b) **Employer selects contracts.** The Employer may select suitable health Insurance Contracts for use in providing this health insurance benefit, which policies will provide uniform benefits for all Participants electing this Benefit.

(c) **Contract incorporated by reference.** The rights and conditions with respect to the benefits payable from such health Insurance Contract shall be determined therefrom, and such Insurance Contract shall be incorporated herein by reference.

4.5 DENTAL INSURANCE BENEFIT

(a) **Coverage for Participant and/or Dependents.** Each Participant may elect to be covered under the Employer's dental Insurance Contract. In addition, the Participant may elect either individual or family coverage under such Insurance Contract.

(b) **Employer selects contracts.** The Employer may select suitable dental Insurance Contracts for use in providing this dental insurance benefit, which policies will provide uniform benefits for all Participants electing this Benefit.

(c) **Contract incorporated by reference.** The rights and conditions with respect to the benefits payable from such dental Insurance Contract shall be determined therefrom, and such dental Insurance Contract shall be incorporated herein by reference.

4.6 GROUP-TERM LIFE INSURANCE BENEFIT

(a) **Coverage for Participant only.** Each Participant may elect to be covered under the Employer's group-term life Insurance Contract.

(b) **Employer selects contracts.** The Employer may select suitable group-term life Insurance Contracts for use in providing this group-term life insurance benefit, which policies will provide benefits for all Participants electing this Benefit on a uniform basis.

(c) **Contract incorporated by reference.** The rights and conditions with respect to the benefits payable from such group-term life Insurance Contract shall be determined therefrom, and such group-term life Insurance Contract shall be incorporated herein by reference.

4.7 DISABILITY INSURANCE BENEFIT

(a) **Coverage for Participant and/or Dependents.** Each Participant may elect to be covered under the Employer's disability Insurance Contract.

(b) **Long term and/or short term coverage selected by Employer.** The Employer may select suitable disability Insurance Contracts for use in providing this disability Benefit. The disability Insurance Contracts may provide for long-term or short-term coverage.

(c) **Contract incorporated by reference.** The rights and conditions with respect to the Benefits payable from such disability Insurance Contract shall be determined therefrom, and such disability Insurance Contract shall be incorporated herein by reference.

4.8 CANCER INSURANCE BENEFIT

(a) **Coverage for Participant and/or Dependents.** Each Participant may elect to be covered under the Employer's cancer Insurance Contract. In addition, the Participant may elect either individual or family coverage.

(b) **Employer selects contracts.** The Employer may select suitable cancer Insurance Contracts for use in providing this cancer insurance benefit, which policies will provide uniform benefits for all Participants electing this Benefit.

(c) **Contract incorporated by reference.** The rights and conditions with respect to the benefits payable from such cancer Insurance Contract shall be determined therefrom, and such cancer Insurance Contract shall be incorporated herein by reference.

4.9 VISION INSURANCE BENEFIT

(a) **Coverage for Participant and/or Dependents.** Each Participant may elect to be covered under the Employer's vision Insurance Contract. In addition, the Participant may elect either individual or family coverage.

(b) **Employer selects contracts.** The Employer may select suitable vision Insurance Contracts for use in providing this vision insurance benefit, which policies will provide uniform benefits for all Participants electing this Benefit.

(c) **Contract incorporated by reference.** The rights and conditions with respect to the benefits payable from such vision Insurance Contract shall be determined therefrom, and such vision Insurance Contract shall be incorporated herein by reference.

4.10 ACCIDENT INSURANCE BENEFIT

(a) **Coverage for Participant and/or Dependents.** Each Participant may elect to be covered under the Employer's accident Insurance Contract.

(b) **Employer selects contracts.** The Employer may select suitable accident policies for use in providing this accident insurance benefit, which policies will provide uniform benefits for all Participants electing this Benefit.

(c) **Contract incorporated by reference.** The rights and conditions with respect to the benefits payable from such accident Insurance Contract shall be determined therefrom, and such accident Insurance Contract shall be incorporated herein by reference.

4.11 HEALTH SAVINGS ACCOUNT BENEFIT

Each Participant may elect to have a portion of his Salary Redirections contributed to a Health Savings Account, as defined in Code Section 223. The amounts contributed shall be subject to the terms of the Health Savings Account as established.

4.12 NONDISCRIMINATION REQUIREMENTS

(a) **Intent to be nondiscriminatory.** It is the intent of this Plan to provide benefits to a classification of employees which the Secretary of the Treasury finds not to be discriminatory in favor of the group in whose favor discrimination may not occur under Code Section 125.

(b) **25% concentration test.** It is the intent of this Plan not to provide qualified benefits as defined under Code Section 125 to Key Employees in amounts that exceed 25% of the aggregate of such Benefits provided for all Eligible Employees under the Plan. For purposes of the preceding sentence, qualified benefits shall not include benefits which (without regard to this paragraph) are includible in gross income.

(c) **Adjustment to avoid test failure.** If the Administrator deems it necessary to avoid discrimination or possible taxation to Key Employees or a group of employees in whose favor discrimination may not occur in violation of Code Section 125, it may, but shall not be required to, reject any election or reduce contributions or non-taxable Benefits in order to assure compliance with the Code and regulations. Any act taken by the Administrator shall be carried out in a uniform and nondiscriminatory manner. With respect to any affected Participant who has had Benefits reduced pursuant to this Section, the reduction shall be made proportionately among Health Flexible Spending Account Benefits and Dependent Care Flexible Spending Account Benefits, and once all these Benefits are expended, proportionately among insured Benefits. Contributions which are not utilized to provide Benefits to any Participant by virtue of any administrative act under this paragraph shall be forfeited and deposited into the benefit plan surplus.

ARTICLE V PARTICIPANT ELECTIONS

5.1 INITIAL ELECTIONS

An Employee who meets the eligibility requirements of Section 2.1 on the first day of, or during, a Plan Year may elect to participate in this Plan for all or the remainder of such Plan Year, provided he elects to do so on or before his effective date of participation pursuant to Section 2.2.

5.2 SUBSEQUENT ANNUAL ELECTIONS

During the Election Period prior to each subsequent Plan Year, each Participant shall be given the opportunity to elect, on an election of benefits form to be provided by the Administrator, which Benefit options he wishes to select. Any such election shall be effective for any Benefit expenses incurred during the Plan Year which follows the end of the Election Period. With regard to subsequent annual elections, the following options shall apply:

- (a) A Participant or Employee who failed to initially elect to participate may elect different or new Benefits under the Plan during the Election Period;
- (b) A Participant may terminate his participation in the Plan by notifying the Administrator in writing during the Election Period that he does not want to participate in the Plan for the next Plan Year;
- (c) An Employee who elects not to participate for the Plan Year following the Election Period will have to wait until the next Election Period before again electing to participate in the Plan, except as provided for in Section 5.4.

5.3 FAILURE TO ELECT

With regard to Benefits available under the Plan for which no Premium Expenses apply, any Participant who fails to complete a new benefit election form pursuant to Section 5.2 by the end of the applicable Election Period shall be deemed to have elected not to participate in the Plan for the upcoming Plan Year. No further Salary Redirections shall therefore be authorized or made for the subsequent Plan Year for such Benefits.

With regard to Benefits available under the Plan for which Premium Expenses apply, any Participant who fails to complete a new benefit election form pursuant to Section 5.2 by the end of the applicable Election Period shall be deemed to have made the same Benefit elections as are then in effect for the current Plan Year. The Participant shall also be deemed to have elected Salary Redirection in an amount necessary to purchase such Benefit options.

5.4 CHANGE IN STATUS

(a) **Change in status defined.** Any Participant may change a Benefit election after the Plan Year (to which such election relates) has commenced and make new elections with respect to the remainder of such Plan Year if, under the facts and circumstances, the changes are necessitated by and are consistent with a change in status which is acceptable under rules and regulations adopted by the Department of the Treasury, the provisions of which are incorporated by reference. Notwithstanding anything herein to the contrary, if the rules and regulations conflict, then such rules and regulations shall control.

In general, a change in election is not consistent if the change in status is the Participant's divorce, annulment or legal separation from a Spouse, the death of a Spouse or Dependent, or a Dependent ceasing to satisfy the eligibility requirements for coverage, and the Participant's election under the Plan is to cancel accident or health insurance coverage for any individual other than the one involved in such event. In addition, if the Participant, Spouse or Dependent gains or loses eligibility for coverage, then a Participant's election under the Plan to cease or decrease coverage for that individual under the Plan corresponds with that change in status only if coverage for that individual becomes applicable or is increased under the family member plan.

Regardless of the consistency requirement, if the individual, the individual's Spouse, or Dependent becomes eligible for continuation coverage under the Employer's group health plan as provided in Code Section 4980B or any similar state law, then the individual may elect to increase payments under this Plan in order to pay for the continuation coverage. However, this does not apply for COBRA eligibility due to divorce, annulment or legal separation.

Any new election shall be effective at such time as the Administrator shall prescribe, but not earlier than the first pay period beginning after the election form is completed and returned to the Administrator. For the purposes of this subsection, a change in status shall only include the following events or other events permitted by Treasury regulations:

- (1) **Legal Marital Status:** events that change a Participant's legal marital status, including marriage, divorce, death of a Spouse, legal separation or annulment;
- (2) **Number of Dependents:** Events that change a Participant's number of Dependents, including birth, adoption, placement for adoption, or death of a Dependent;
- (3) **Employment Status:** Any of the following events that change the employment status of the Participant, Spouse, or Dependent: termination or commencement of employment, a strike or lockout, commencement or return from an unpaid leave of absence, or a change in worksite. In addition, if the eligibility conditions of this Plan or other employee benefit plan of the Employer of the Participant, Spouse, or Dependent depend on the employment status of that individual and there is a change in that individual's employment status with the consequence that the individual becomes (or ceases to be) eligible under the plan, then that change constitutes a change in employment under this subsection;
- (4) **Dependent satisfies or ceases to satisfy the eligibility requirements:** An event that causes the Participant's Dependent to satisfy or cease to satisfy the requirements for coverage due to attainment of age, student status, or any similar circumstance; and

- (5) **Residency:** A change in the place of residence of the Participant, Spouse or Dependent, that would lead to a change in status (such as a loss of HMO coverage).

For the Dependent Care Flexible Spending Account, a Dependent becoming or ceasing to be a "Qualifying Dependent" as defined under Code Section 21(b) shall also qualify as a change in status.

Notwithstanding anything in this Section to the contrary, the gain of eligibility or change in eligibility of a child, as allowed under Code Sections 105(b) and 106, and guidance thereunder, shall qualify as a change in status.

(b) **Special enrollment rights.** Notwithstanding subsection (a), the Participants may change an election for group health coverage during a Plan Year and make a new election that corresponds with the special enrollment rights provided in Code Section 9801(f), including those authorized under the provisions of the Children's Health Insurance Program Reauthorization Act of 2009 (CHIP); provided that such Participant meets the sixty (60) day notice requirement imposed by Code Section 9801(f) (or such longer period as may be permitted by the Plan and communicated to Participants). Such change shall take place on a prospective basis, unless otherwise required by Code Section 9801(f) to be retroactive.

(c) **Qualified Medical Support Order.** Notwithstanding subsection (a), in the event of a judgment, decree, or order (including approval of a property settlement) ("order") resulting from a divorce, legal separation, annulment, or change in legal custody which requires accident or health coverage for a Participant's child (including a foster child who is a Dependent of the Participant):

(1) The Plan may change an election to provide coverage for the child if the order requires coverage under the Participant's plan; or

(2) The Participant shall be permitted to change an election to cancel coverage for the child if the order requires the former Spouse to provide coverage for such child, under that individual's plan and such coverage is actually provided.

(d) **Medicare or Medicaid.** Notwithstanding subsection (a), a Participant may change elections to cancel or reduce accident or health coverage for the Participant or the Participant's Spouse or Dependent if the Participant or the Participant's Spouse or Dependent is enrolled in the accident or health coverage of the Employer and becomes entitled to coverage (i.e., enrolled) under Part A or Part B of the Title XVIII of the Social Security Act (Medicare) or Title XIX of the Social Security Act (Medicaid), other than coverage consisting solely of benefits under Section 1928 of the Social Security Act (the program for distribution of pediatric vaccines). If the Participant or the Participant's Spouse or Dependent who has been entitled to Medicaid or Medicare coverage loses eligibility, that individual may prospectively elect coverage under the Plan if a benefit package option under the Plan provides similar coverage.

(e) **Cost increase or decrease.** If the cost of a Benefit provided under the Plan increases or decreases during a Plan Year, then the Plan shall automatically increase or decrease, as the case may be, the Salary Redirections of all affected Participants for such Benefit. Alternatively, if the cost of a benefit package option increases significantly, the Administrator shall permit the affected Participants to either make corresponding changes in their payments or revoke their elections and, in lieu thereof, receive on a prospective basis coverage under another benefit package option with similar coverage, or drop coverage prospectively if there is no benefit package option with similar coverage.

A cost increase or decrease refers to an increase or decrease in the amount of elective contributions under the Plan, whether resulting from an action taken by the Participants or an action taken by the Employer.

(f) **Loss of coverage.** If the coverage under a Benefit is significantly curtailed or ceases during a Plan Year, affected Participants may revoke their elections of such Benefit and, in lieu thereof, elect to receive on a prospective basis coverage under another plan with similar coverage, or drop coverage prospectively if no similar coverage is offered.

(g) **Addition of a new benefit.** If, during the period of coverage, a new benefit package option or other coverage option is added, an existing benefit package option is significantly improved, or an existing benefit package option or other coverage option is eliminated, then the affected Participants may elect the newly-added option, or elect another option if an option has been eliminated prospectively and make corresponding election changes with respect to other benefit package options providing similar coverage. In addition, those Eligible Employees who are not participating in the Plan may opt to become Participants and elect the new or newly improved benefit package option.

(h) **Loss of coverage under certain other plans.** A Participant may make a prospective election change to add group health coverage for the Participant, the Participant's Spouse or Dependent if such individual loses group health coverage sponsored by a governmental or educational institution, including a state children's health insurance program under the Social Security Act, the Indian Health Service or a health program offered by an Indian tribal government, a state health benefits risk pool, or a foreign government group health plan.

(i) **Change of coverage due to change under certain other plans.** A Participant may make a prospective election change that is on account of and corresponds with a change made under the plan of a Spouse's, former Spouse's or Dependent's employer if (1) the cafeteria plan or other benefits plan of the Spouse's, former Spouse's or Dependent's employer

permits its participants to make a change; or (2) the cafeteria plan permits participants to make an election for a period of coverage that is different from the period of coverage under the cafeteria plan of a Spouse's, former Spouse's or Dependent's employer.

(j) **Change in dependent care provider.** A Participant may make a prospective election change that is on account of and corresponds with a change by the Participant in the dependent care provider. The availability of dependent care services from a new childcare provider is similar to a new benefit package option becoming available. A cost change is allowable in the Dependent Care Flexible Spending Account only if the cost change is imposed by a dependent care provider who is not related to the Participant, as defined in Code Section 152(a)(1) through (8).

(k) **Health FSA cannot change due to insurance change.** A Participant shall not be permitted to change an election to the Health Flexible Spending Account as a result of a cost or coverage change under any health insurance benefits.

(l) **Health Savings Account changes.** With regard to the Health Savings Account Benefit specified in Section 4.11, a Participant who has elected to make elective contributions under such arrangement may modify or revoke the election prospectively, provided such change is consistent with Code Section 223 and the Treasury regulations thereunder.

(m) **Changes due to reduction in hours or enrollment in an Exchange Plan.** A Participant may prospectively revoke coverage under the group health plan (that is not a health Flexible Spending Account) which provides minimum essential coverage (as defined in Code §5000A(f)(1)) provided the following conditions are met:

Conditions for revocation due to reduction in hours of service:

- (1) The Participant has been reasonably expected to average at least 30 hours of service per week and there is a change in that Participant's status so that the Participant will reasonably be expected to average less than 30 hours of service per week after the change, even if that reduction does not result in the Participant ceasing to be eligible under the group health plan; and
- (2) The revocation of coverage under the group health plan corresponds to the intended enrollment of the Participant, and any related individuals who cease coverage due to the revocation, in another plan that provides minimum essential coverage with the new coverage effective no later than the first day of the second month following the month that includes the date the original coverage is revoked.

The Administrator may rely on the reasonable representation of the Participant who is reasonably expected to have an average of less than 30 hours of service per week for future periods that the Participant and related individuals have enrolled or intend to enroll in another plan that provides minimum essential coverage for new coverage that is effective no later than the first day of the second month following the month that includes the date the original coverage is revoked.

Conditions for revocation due to enrollment in a Qualified Health Plan:

- (1) The Participant is eligible for a Special Enrollment Period to enroll in a Qualified Health Plan through a Marketplace (federal or state exchange) pursuant to guidance issued by the Department of Health and Human Services and any other applicable guidance, or the Participant seeks to enroll in a Qualified Health Plan through a Marketplace during the Marketplace's annual open enrollment period; and
- (2) The revocation of the election of coverage under the group health plan corresponds to the intended enrollment of the Participant and any related individuals who cease coverage due to the revocation in a Qualified Health Plan through a Marketplace for new coverage that is effective beginning no later than the day immediately following the last day of the original coverage that is revoked.

The Administrator may rely on the reasonable representation of a Participant who has an enrollment opportunity for a Qualified Health Plan through a Marketplace that the Participant and related individuals have enrolled or intend to enroll in a Qualified Health Plan for new coverage that is effective beginning no later than the day immediately following the last day of the original coverage that is revoked.

ARTICLE VI HEALTH FLEXIBLE SPENDING ACCOUNT

6.1 ESTABLISHMENT OF PLAN

This Health Flexible Spending Account is intended to qualify as a medical reimbursement plan under Code Section 105 and shall be interpreted in a manner consistent with such Code Section and the Treasury regulations thereunder. Participants who elect to participate in this Health Flexible Spending Account may submit claims for the reimbursement of Medical Expenses. All amounts reimbursed shall be periodically paid from amounts allocated to the Health Flexible Spending Account. Periodic payments reimbursing Participants from the Health Flexible Spending Account shall in no event occur less frequently than monthly.

6.2 DEFINITIONS

For the purposes of this Article and the Cafeteria Plan, the terms below have the following meaning:

(a) **"Health Flexible Spending Account"** means the account established for Participants pursuant to this Plan to which part of their Cafeteria Plan Benefit Dollars may be allocated and from which all allowable Medical Expenses incurred by a Participant, his or her Spouse and his or her Dependents may be reimbursed.

(b) **"Highly Compensated Participant"** means, for the purposes of this Article and determining discrimination under Code Section 105(h), a participant who is:

- (1) one of the 5 highest paid officers;
- (2) a shareholder who owns (or is considered to own applying the rules of Code Section 318) more than 10 percent in value of the stock of the Employer; or
- (3) among the highest paid 25 percent of all Employees (other than exclusions permitted by Code Section 105(h)(3)(B) for those individuals who are not Participants).

(c) **"Medical Expenses"** means any expense for medical care within the meaning of the term "medical care" as defined in Code Section 213(d) and the rulings and Treasury regulations thereunder, and not otherwise used by the Participant as a deduction in determining his tax liability under the Code. "Medical Expenses" can be incurred by the Participant, his or her Spouse and his or her Dependents. "Incurred" means, with regard to Medical Expenses, when the Participant is provided with the medical care that gives rise to the Medical Expense and not when the Participant is formally billed or charged for, or pays for, the medical care.

A Participant may not be reimbursed for the cost of other health coverage such as premiums paid under plans maintained by the employer of the Participant's Spouse or individual policies maintained by the Participant or his Spouse or Dependent.

A Participant may not be reimbursed for "qualified long-term care services" as defined in Code Section 7702B(c).

(d) The definitions of Article I are hereby incorporated by reference to the extent necessary to interpret and apply the provisions of this Health Flexible Spending Account.

6.3 FORFEITURES

The amount in the Health Flexible Spending Account as of the end of any Plan Year (and after the processing of all claims for such Plan Year pursuant to Section 6.7 hereof, excluding any carryover) shall be forfeited and credited to the benefit plan surplus. In such event, the Participant shall have no further claim to such amount for any reason, subject to Section 8.2.

6.4 LIMITATION ON ALLOCATIONS

(a) Notwithstanding any provision contained in this Health Flexible Spending Account to the contrary, the maximum amount of salary reductions that may be allocated to the Health Flexible Spending Account by a Participant in or on account of any Plan Year is the statutory amount under Code Section 125(i), as adjusted for increases in the cost of living. The cost of living adjustment in effect for a calendar year applies to any Plan Year beginning with or within such calendar year. The dollar increase in effect on January 1 of any calendar year shall be effective for the Plan Year beginning with or within such calendar year. For any short Plan Year, the limit shall be an amount equal to the limit for the calendar year in which the Plan Year begins multiplied by the ratio obtained by dividing the number of full months in the short Plan Year by twelve (12).

(b) **Participation in Other Plans.** All employers that are treated as a single employer under Code Sections 414(b), (c), or (m), relating to controlled groups and affiliated service groups, are treated as a single employer for purposes of the statutory limit. If a Participant participates in multiple cafeteria plans offering health flexible spending accounts maintained by members of a controlled group or affiliated service group, the Participant's total Health Flexible Spending Account contributions under all of the cafeteria plans are limited to the statutory limit (as adjusted). However, a Participant employed by two or more employers that are not members of the same controlled group may elect up to the statutory limit (as adjusted) under each Employer's Health Flexible Spending Account.

(c) **Carryover.** A Participant in the Health Flexible Spending Account may roll over unused amounts in the Health Flexible Spending Account remaining at the end of one Plan Year to the immediately following Plan Year, up to 20% of the statutory amount under Code Section 125(i), as adjusted for increases in the cost of living. The cost of living adjustment in effect for a calendar year applies to any Plan Year beginning with or within such calendar year. The dollar increase in effect on January 1 of any calendar year shall be effective for the Plan Year beginning with or within such calendar year. These amounts can be used during the following Plan Year for expenses incurred in that Plan Year. Amounts carried over do not affect the maximum amount of salary redirection contributions for the Plan Year to which they are carried over. Unused amounts are those remaining after expenses have been reimbursed during the runout period. These amounts may not be cashed out or converted to

any other taxable or nontaxable benefit. Amounts in excess will be forfeited. The Plan is allowed, but not required, to treat claims as being paid first from the current year amounts, then from the carryover amounts.

6.5 NONDISCRIMINATION REQUIREMENTS

(a) **Intent to be nondiscriminatory.** It is the intent of this Health Flexible Spending Account not to discriminate in violation of the Code and the Treasury regulations thereunder.

(b) **Adjustment to avoid test failure.** If the Administrator deems it necessary to avoid discrimination under this Health Flexible Spending Account, it may, but shall not be required to, reject any elections or reduce contributions or Benefits in order to assure compliance with this Section. Any act taken by the Administrator under this Section shall be carried out in a uniform and nondiscriminatory manner. If the Administrator decides to reject any elections or reduce contributions or Benefits, it shall be done in the following manner. First, the Benefits designated for the Health Flexible Spending Account by the member of the group in whose favor discrimination may not occur pursuant to Code Section 105 that elected to contribute the highest amount to the fund for the Plan Year shall be reduced until the nondiscrimination tests set forth in this Section or the Code are satisfied, or until the amount designated for the fund equals the amount designated for the fund by the next member of the group in whose favor discrimination may not occur pursuant to Code Section 105 who has elected the second highest contribution to the Health Flexible Spending Account for the Plan Year. This process shall continue until the nondiscrimination tests set forth in this Section or the Code are satisfied. Contributions which are not utilized to provide Benefits to any Participant by virtue of any administrative act under this paragraph shall be forfeited and credited to the benefit plan surplus.

6.6 COORDINATION WITH CAFETERIA PLAN

All Participants under the Cafeteria Plan are eligible to receive Benefits under this Health Flexible Spending Account. The enrollment under the Cafeteria Plan shall constitute enrollment under this Health Flexible Spending Account. In addition, other matters concerning contributions, elections and the like shall be governed by the general provisions of the Cafeteria Plan.

6.7 HEALTH FLEXIBLE SPENDING ACCOUNT CLAIMS

(a) **Expenses must be incurred during Plan Year.** All Medical Expenses incurred by a Participant, his or her Spouse and his or her Dependents during the Plan Year shall be reimbursed during the Plan Year subject to Section 2.6, even though the submission of such a claim occurs after his participation hereunder ceases; but provided that the Medical Expenses were incurred during the applicable Plan Year. Medical Expenses are treated as having been incurred when the Participant is provided with the medical care that gives rise to the medical expenses, not when the Participant is formally billed or charged for, or pays for the medical care.

(b) **Reimbursement available throughout Plan Year.** The Administrator shall direct the reimbursement to each eligible Participant for all allowable Medical Expenses, up to a maximum of the amount designated by the Participant for the Health Flexible Spending Account for the Plan Year. Reimbursements shall be made available to the Participant throughout the year without regard to the level of Cafeteria Plan Benefit Dollars which have been allocated to the fund at any given point in time. Furthermore, a Participant shall be entitled to reimbursements only for amounts in excess of any payments or other reimbursements under any health care plan covering the Participant and/or his Spouse or Dependents.

(c) **Payments.** Reimbursement payments under this Plan shall be made directly to the Participant. However, in the Administrator's discretion, payments may be made directly to the service provider. The application for payment or reimbursement shall be made to the Administrator on an acceptable form within a reasonable time of incurring the debt or paying for the service. The application shall include a written statement from an independent third party stating that the Medical Expense has been incurred and the amount of such expense. Furthermore, the Participant shall provide a written statement that the Medical Expense has not been reimbursed or is not reimbursable under any other health plan coverage and, if reimbursed from the Health Flexible Spending Account, such amount will not be claimed as a tax deduction. The Administrator shall retain a file of all such applications.

(d) **Claims for reimbursement.** Claims for the reimbursement of Medical Expenses incurred in any Plan Year shall be paid as soon after a claim has been filed as is administratively practicable; provided however, that if a Participant fails to submit a claim within 90 days after the end of the Plan Year, those Medical Expense claims shall not be considered for reimbursement by the Administrator.

6.8 DEBIT AND CREDIT CARDS

Participants may, subject to a procedure established by the Administrator and applied in a uniform nondiscriminatory manner, use debit and/or credit (stored value) cards ("cards") provided by the Administrator and the Plan for payment of Medical Expenses, subject to the following terms:

(a) **Card only for medical expenses.** Each Participant issued a card shall certify that such card shall only be used for Medical Expenses. The Participant shall also certify that any Medical Expense paid with the card has not already been reimbursed by any other plan covering health benefits and that the Participant will not seek reimbursement from any other plan covering health benefits.

(b) **Card issuance.** Such card shall be issued upon the Participant's Effective Date of Participation and reissued for each Plan Year the Participant remains a Participant in the Health Flexible Spending Account. Such card shall be automatically cancelled upon the Participant's death or termination of employment, or if such Participant has a change in status that results in the Participant's withdrawal from the Health Flexible Spending Account.

(c) **Maximum dollar amount available.** The dollar amount of coverage available on the card shall be the amount elected by the Participant for the Plan Year. The maximum dollar amount of coverage available shall be the maximum amount for the Plan Year as set forth in Section 6.4.

(d) **Only available for use with certain service providers.** The cards shall only be accepted by such merchants and service providers as have been approved by the Administrator following IRS guidelines.

(e) **Card use.** The cards shall only be used for Medical Expense purchases at these providers, including, but not limited to, the following:

- (1) Co-payments for doctor and other medical care;
- (2) Purchase of drugs prescribed by a health care provider, including, if permitted by the Administrator, over-the-counter medications as allowed under IRS regulations;
- (3) Purchase of medical items such as eyeglasses, syringes, crutches, etc.

(f) **Substantiation.** Such purchases by the cards shall be subject to substantiation by the Administrator, usually by submission of a receipt from a service provider describing the service, the date and the amount. The Administrator shall also follow the requirements set forth in Revenue Ruling 2003-43 and Notice 2006-69. All charges shall be conditional pending confirmation and substantiation.

(g) **Correction methods.** If such purchase is later determined by the Administrator to not qualify as a Medical Expense, the Administrator, in its discretion, shall use one of the following correction methods to make the Plan whole. Until the amount is repaid, the Administrator shall take further action to ensure that further violations of the terms of the card do not occur, up to and including denial of access to the card.

- (1) Repayment of the improper amount by the Participant;
- (2) Withholding the improper payment from the Participant's wages or other compensation to the extent consistent with applicable federal or state law;
- (3) Claims substitution or offset of future claims until the amount is repaid; and
- (4) if subsections (1) through (3) fail to recover the amount, consistent with the Employer's business practices, the Employer may treat the amount as any other business indebtedness.

ARTICLE VII DEPENDENT CARE FLEXIBLE SPENDING ACCOUNT

7.1 ESTABLISHMENT OF ACCOUNT

This Dependent Care Flexible Spending Account is intended to qualify as a program under Code Section 129 and shall be interpreted in a manner consistent with such Code Section. Participants who elect to participate in this program may submit claims for the reimbursement of Employment-Related Dependent Care Expenses. All amounts reimbursed shall be paid from amounts allocated to the Participant's Dependent Care Flexible Spending Account.

7.2 DEFINITIONS

For the purposes of this Article and the Cafeteria Plan the terms below shall have the following meaning:

(a) **"Dependent Care Flexible Spending Account"** means the account established for a Participant pursuant to this Article to which part of his Cafeteria Plan Benefit Dollars may be allocated and from which Employment-Related Dependent Care Expenses of the Participant may be reimbursed for the care of the Qualifying Dependents of Participants.

(b) **"Earned Income"** means earned income as defined under Code Section 32(c)(2), but excluding such amounts paid or incurred by the Employer for dependent care assistance to the Participant.

(c) **"Employment-Related Dependent Care Expenses"** means the amounts paid for expenses of a Participant for those services which if paid by the Participant would be considered employment related expenses under Code Section 21(b)(2). Generally, they shall include expenses for household services and for the care of a Qualifying Dependent, to the extent that such expenses are incurred to enable the Participant to be gainfully employed for any period for which there are one or more Qualifying Dependents with respect to such Participant. Employment-Related Dependent Care Expenses are treated as having been incurred when the Participant's Qualifying Dependents are provided with the dependent care that gives rise to the Employment-Related Dependent Care Expenses, not when the Participant is formally billed or charged for, or pays for the dependent care. The determination of whether an amount qualifies as an Employment-Related Dependent Care Expense shall be made subject to the following rules:

- (1) If such amounts are paid for expenses incurred outside the Participant's household, they shall constitute Employment-Related Dependent Care Expenses only if incurred for a Qualifying Dependent as defined in Section 7.2(d)(1) (or deemed to be, as described in Section 7.2(d)(1) pursuant to Section 7.2(d)(3)), or for a Qualifying Dependent as defined in Section 7.2(d)(2) (or deemed to be, as described in Section 7.2(d)(2) pursuant to Section 7.2(d)(3)) who regularly spends at least 8 hours per day in the Participant's household;
- (2) If the expense is incurred outside the Participant's home at a facility that provides care for a fee, payment, or grant for more than 6 individuals who do not regularly reside at the facility, the facility must comply with all applicable state and local laws and regulations, including licensing requirements, if any; and
- (3) Employment-Related Dependent Care Expenses of a Participant shall not include amounts paid or incurred to a child of such Participant who is under the age of 19 or to an individual who is a Dependent of such Participant or such Participant's Spouse.

(d) **"Qualifying Dependent"** means, for Dependent Care Flexible Spending Account purposes,

- (1) a Participant's Dependent (as defined in Code Section 152(a)(1)) who has not attained age 13;
- (2) a Dependent or the Spouse of a Participant who is physically or mentally incapable of caring for himself or herself and has the same principal place of abode as the Participant for more than one-half of such taxable year; or
- (3) a child that is deemed to be a Qualifying Dependent described in paragraph (1) or (2) above, whichever is appropriate, pursuant to Code Section 21(e)(5).

(e) The definitions of Article I are hereby incorporated by reference to the extent necessary to interpret and apply the provisions of this Dependent Care Flexible Spending Account.

7.3 DEPENDENT CARE FLEXIBLE SPENDING ACCOUNTS

The Administrator shall establish a Dependent Care Flexible Spending Account for each Participant who elects to apply Cafeteria Plan Benefit Dollars to Dependent Care Flexible Spending Account benefits.

7.4 INCREASES IN DEPENDENT CARE FLEXIBLE SPENDING ACCOUNTS

A Participant's Dependent Care Flexible Spending Account shall be increased each pay period by the portion of Cafeteria Plan Benefit Dollars that he has elected to apply toward his Dependent Care Flexible Spending Account pursuant to elections made under Article V hereof.

7.5 DECREASES IN DEPENDENT CARE FLEXIBLE SPENDING ACCOUNTS

A Participant's Dependent Care Flexible Spending Account shall be reduced by the amount of any Employment-Related Dependent Care Expense reimbursements paid or incurred on behalf of a Participant pursuant to Section 7.12 hereof.

7.6 ALLOWABLE DEPENDENT CARE REIMBURSEMENT

Subject to limitations contained in Section 7.9 of this Program, and to the extent of the amount contained in the Participant's Dependent Care Flexible Spending Account, a Participant who incurs Employment-Related Dependent Care Expenses shall be entitled to receive from the Employer full reimbursement for the entire amount of such expenses incurred during the Plan Year or portion thereof during which he is a Participant.

7.7 ANNUAL STATEMENT OF BENEFITS

On or before January 31st of each calendar year, the Employer shall furnish to each Employee who was a Participant and received benefits under Section 7.6 during the prior calendar year, a statement of all such benefits paid to or on behalf of such Participant during the prior calendar year. This statement is set forth on the Participant's Form W-2.

7.8 FORFEITURES

The amount in a Participant's Dependent Care Flexible Spending Account as of the end of any Plan Year (and after the processing of all claims for such Plan Year pursuant to Section 7.12 hereof) shall be forfeited and credited to the benefit plan surplus. In such event, the Participant shall have no further claim to such amount for any reason.

7.9 LIMITATION ON PAYMENTS

(a) **Code limits.** Notwithstanding any provision contained in this Article to the contrary, amounts paid from a Participant's Dependent Care Flexible Spending Account in or on account of any taxable year of the Participant shall not exceed the lesser of the Earned Income limitation described in Code Section 129(b) or \$5,000 (\$2,500 if a separate tax return is filed by a Participant who is married as determined under the rules of paragraphs (3) and (4) of Code Section 21(e)).

7.10 NONDISCRIMINATION REQUIREMENTS

(a) **Intent to be nondiscriminatory.** It is the intent of this Dependent Care Flexible Spending Account that contributions or benefits not discriminate in favor of the group of employees in whose favor discrimination may not occur under Code Section 129(d).

(b) **25% test for shareholders.** It is the intent of this Dependent Care Flexible Spending Account that not more than 25 percent of the amounts paid by the Employer for dependent care assistance during the Plan Year will be provided for the class of individuals who are shareholders or owners (or their Spouses or Dependents), each of whom (on any day of the Plan Year) owns more than 5 percent of the stock or of the capital or profits interest in the Employer.

(c) **Adjustment to avoid test failure.** If the Administrator deems it necessary to avoid discrimination or possible taxation to a group of employees in whose favor discrimination may not occur in violation of Code Section 129 it may, but shall not be required to, reject any elections or reduce contributions or non-taxable benefits in order to assure compliance with this Section. Any act taken by the Administrator under this Section shall be carried out in a uniform and nondiscriminatory manner. If the Administrator decides to reject any elections or reduce contributions or Benefits, it shall be done in the following manner. First, the Benefits designated for the Dependent Care Flexible Spending Account by the affected Participant that elected to contribute the highest amount to such account for the Plan Year shall be reduced until the nondiscrimination tests set forth in this Section are satisfied, or until the amount designated for the account equals the amount designated for the account of the affected Participant who has elected the second highest contribution to the Dependent Care Flexible Spending Account for the Plan Year. This process shall continue until the nondiscrimination tests set forth in this Section are satisfied. Contributions which are not utilized to provide Benefits to any Participant by virtue of any administrative act under this paragraph shall be forfeited.

7.11 COORDINATION WITH CAFETERIA PLAN

All Participants under the Cafeteria Plan are eligible to receive Benefits under this Dependent Care Flexible Spending Account. The enrollment and termination of participation under the Cafeteria Plan shall constitute enrollment and termination of participation under this Dependent Care Flexible Spending Account. In addition, other matters concerning contributions, elections and the like shall be governed by the general provisions of the Cafeteria Plan.

7.12 DEPENDENT CARE FLEXIBLE SPENDING ACCOUNT CLAIMS

The Administrator shall direct the payment of all such Dependent Care claims to the Participant upon the presentation to the Administrator of documentation of such expenses in a form satisfactory to the Administrator. However, in the Administrator's discretion, payments may be made directly to the service provider. In its discretion in administering the Plan, the Administrator may utilize forms and require documentation of costs as may be necessary to verify the claims submitted. At a minimum, the form shall include a statement from an independent third party as proof that the expense has been incurred during the Plan Year including the Grace Period and the amount of such expense. In addition, the Administrator may require that each Participant who desires to receive reimbursement under this Program for Employment-Related Dependent Care Expenses submit a statement which may contain some or all of the following information:

- (a) The Dependent or Dependents for whom the services were performed;
- (b) The nature of the services performed for the Participant, the cost of which he wishes reimbursement;
- (c) The relationship, if any, of the person performing the services to the Participant;
- (d) If the services are being performed by a child of the Participant, the age of the child;
- (e) A statement as to where the services were performed;
- (f) If any of the services were performed outside the home, a statement as to whether the Dependent for whom such services were performed spends at least 8 hours a day in the Participant's household;

- (g) If the services were being performed in a day care center, a statement:
 - (1) that the day care center complies with all applicable laws and regulations of the state of residence,
 - (2) that the day care center provides care for more than 6 individuals (other than individuals residing at the center), and
 - (3) of the amount of fee paid to the provider.
- (h) If the Participant is married, a statement containing the following:
 - (1) the Spouse's salary or wages if he or she is employed, or
 - (2) if the Participant's Spouse is not employed, that
 - (i) he or she is incapacitated, or
 - (ii) he or she is a full-time student attending an educational institution and the months during the year which he or she attended such institution.
- (i) **Grace Period.** Notwithstanding anything in this Section to the contrary, Employment-Related Dependent Care Expenses incurred during the Grace Period, up to the remaining account balance, shall also be deemed to have been incurred during the Plan Year to which the Grace Period relates.
- (j) **Claims for reimbursement.** If a Participant fails to submit a claim within 90 days after the end of the Plan Year, those claims shall not be considered for reimbursement by the Administrator.

7.13 DEBIT AND CREDIT CARDS

Participants may, subject to a procedure established by the Administrator and applied in a uniform nondiscriminatory manner, use debit and/or credit (stored value) cards ("cards") provided by the Administrator and the Plan for payment of Employment-Related Dependent Care Expenses, subject to the following terms:

- (a) **Card only for dependent care expenses.** Each Participant issued a card shall certify that such card shall only be used for Employment-Related Dependent Care Expenses. The Participant shall also certify that any Employment-Related Dependent Care Expense paid with the card has not already been reimbursed by any other plan covering dependent care benefits and that the Participant will not seek reimbursement from any other plan covering dependent care benefits.
- (b) **Card issuance.** Such card shall be issued upon the Participant's Effective Date of Participation and reissued for each Plan Year the Participant remains a Participant in the Dependent Care Flexible Spending Account. Such card shall be automatically cancelled upon the Participant's death or termination of employment, or if such Participant has a change in status that results in the Participant's withdrawal from the Dependent Care Flexible Spending Account.
- (c) **Only available for use with certain service providers.** The cards shall only be accepted by such service providers as have been approved by the Administrator. The cards shall only be used for Employment-Related Dependent Care Expenses from these providers.
- (d) **Substantiation.** Such purchases by the cards shall be subject to substantiation by the Administrator, usually by submission of a receipt from a service provider describing the service, the date and the amount. The Administrator shall also follow the requirements set forth in Revenue Ruling 2003-43 and Notice 2006-69. All charges shall be conditional pending confirmation and substantiation.
- (e) **Correction methods.** If such purchase is later determined by the Administrator to not qualify as an Employment-Related Dependent Care Expense, the Administrator, in its discretion, shall use one of the following correction methods to make the Plan whole. Until the amount is repaid, the Administrator shall take further action to ensure that further violations of the terms of the card do not occur, up to and including denial of access to the card.
 - (1) Repayment of the improper amount by the Participant;
 - (2) Withholding the improper payment from the Participant's wages or other compensation to the extent consistent with applicable federal or state law;
 - (3) Claims substitution or offset of future claims until the amount is repaid; and
 - (4) if subsections (1) through (3) fail to recover the amount, consistent with the Employer's business practices, the Employer may treat the amount as any other business indebtedness.

ARTICLE VIII BENEFITS AND RIGHTS

8.1 CLAIM FOR BENEFITS

(a) **Insurance claims.** Any claim for Benefits underwritten by Insurance Contract(s) shall be made to the Insurer. If the Insurer denies any claim, the Participant or beneficiary shall follow the Insurer's claims review procedure.

(b) **Dependent Care Flexible Spending Account or Health Flexible Spending Account claims.** Any claim for Dependent Care Flexible Spending Account or Health Flexible Spending Account Benefits shall be made to the Administrator. For the Health Flexible Spending Account, if a Participant fails to submit a claim within 90 days after the end of the Plan Year, those claims shall not be considered for reimbursement by the Administrator. For the Dependent Care Flexible Spending Account, if a Participant fails to submit a claim within 90 days after the end of the Plan Year, those claims shall not be considered for reimbursement by the Administrator. If the Administrator denies a claim, the Administrator may provide notice to the Participant or beneficiary, in writing, within 90 days after the claim is filed unless special circumstances require an extension of time for processing the claim. The notice of a denial of a claim shall be written in a manner calculated to be understood by the claimant and shall set forth:

- (1) specific references to the pertinent Plan provisions on which the denial is based;
- (2) a description of any additional material or information necessary for the claimant to perfect the claim and an explanation as to why such information is necessary; and
- (3) an explanation of the Plan's claim procedure.

(c) **Appeal.** Within 60 days after receipt of the above material, the claimant shall have a reasonable opportunity to appeal the claim denial to the Administrator for a full and fair review. The claimant or his duly authorized representative may:

- (1) request a review upon written notice to the Administrator;
- (2) review pertinent documents; and
- (3) submit issues and comments in writing.

(d) **Review of appeal.** A decision on the review by the Administrator will be made not later than 60 days after receipt of a request for review, unless special circumstances require an extension of time for processing (such as the need to hold a hearing), in which event a decision should be rendered as soon as possible, but in no event later than 120 days after such receipt. The decision of the Administrator shall be written and shall include specific reasons for the decision, written in a manner calculated to be understood by the claimant, with specific references to the pertinent Plan provisions on which the decision is based.

(e) **Forfeitures.** Any balance remaining in the Participant's Health Flexible Spending Account (excluding any carryover) or Dependent Care Flexible Spending Account as of the end of the time for claims reimbursement for each Plan Year and Grace Period (if applicable) shall be forfeited and deposited in the benefit plan surplus of the Employer pursuant to Section 6.3 or Section 7.8, whichever is applicable, unless the Participant had made a claim for such Plan Year, in writing, which has been denied or is pending; in which event the amount of the claim shall be held in his account until the claim appeal procedures set forth above have been satisfied or the claim is paid. If any such claim is denied on appeal, the amount held beyond the end of the Plan Year shall be forfeited and credited to the benefit plan surplus.

8.2 APPLICATION OF BENEFIT PLAN SURPLUS

Any forfeited amounts credited to the benefit plan surplus by virtue of the failure of a Participant to incur a qualified expense or seek reimbursement in a timely manner may, but need not be, separately accounted for after the close of the Plan Year (or after such further time specified herein for the filing of claims) in which such forfeitures arose. In no event shall such amounts be carried over to reimburse a Participant for expenses incurred during a subsequent Plan Year for the same or any other Benefit available under the Plan (excepting any carryover); nor shall amounts forfeited by a particular Participant be made available to such Participant in any other form or manner, except as permitted by Treasury regulations. Amounts in the benefit plan surplus shall be used to defray any administrative costs and experience losses or used to provide additional benefits under the Plan. No amounts attributable to the Health Savings Account shall be subject to the benefit plan surplus.

ARTICLE IX ADMINISTRATION

9.1 PLAN ADMINISTRATION

The Employer shall be the Administrator, unless the Employer elects otherwise. The Employer may appoint any person, including, but not limited to, the Employees of the Employer, to perform the duties of the Administrator. Any person so appointed shall signify acceptance by filing acceptance in writing (or such other form as acceptable to both parties) with the Employer. Upon the resignation or removal of any individual performing the duties of the Administrator, the Employer may designate a successor.

If the Employer elects, the Employer shall appoint one or more Administrators. Any person, including, but not limited to, the Employees of the Employer, shall be eligible to serve as an Administrator. Any person so appointed shall signify acceptance by filing acceptance in writing (or such other form as acceptable to both parties) with the Employer. An Administrator may resign by delivering a resignation in writing (or such other form as acceptable to both parties) to the Employer or be removed by the Employer by delivery of notice of removal (in writing or such other form as acceptable to both parties), to take effect at a date specified therein, or upon delivery to the Administrator if no date is specified. The Employer shall be empowered to appoint and remove the Administrator from time to time as it deems necessary for the proper administration of the Plan to ensure that the Plan is being operated for the exclusive benefit of the Employees entitled to participate in the Plan in accordance with the terms of the Plan and the Code.

The operation of the Plan shall be under the supervision of the Administrator. It shall be a principal duty of the Administrator to see that the Plan is carried out in accordance with its terms, and for the exclusive benefit of Employees entitled to participate in the Plan. The Administrator shall have full power and discretion to administer the Plan in all of its details and determine all questions arising in connection with the administration, interpretation, and application of the Plan. The Administrator may establish procedures, correct any defect, supply any information, or reconcile any inconsistency in such manner and to such extent as shall be deemed necessary or advisable to carry out the purpose of the Plan. The Administrator shall have all powers necessary or appropriate to accomplish the Administrator's duties under the Plan. The Administrator shall be charged with the duties of the general administration of the Plan as set forth under the Plan, including, but not limited to, in addition to all other powers provided by this Plan:

- (a) To make and enforce such procedures, rules and regulations as the Administrator deems necessary or proper for the efficient administration of the Plan;
- (b) To interpret the provisions of the Plan, the Administrator's interpretations thereof in good faith to be final and conclusive on all persons claiming benefits by operation of the Plan;
- (c) To decide all questions concerning the Plan and the eligibility of any person to participate in the Plan and to receive benefits provided by operation of the Plan;
- (d) To reject elections or to limit contributions or Benefits for certain highly compensated participants if it deems such to be desirable in order to avoid discrimination under the Plan in violation of applicable provisions of the Code;
- (e) To provide Employees with a reasonable notification of their benefits available by operation of the Plan and to assist any Participant regarding the Participant's rights, benefits or elections under the Plan;
- (f) To keep and maintain the Plan documents and all other records pertaining to and necessary for the administration of the Plan;
- (g) To review and settle all claims against the Plan, to approve reimbursement requests, and to authorize the payment of benefits if the Administrator determines such shall be paid if the Administrator decides in its discretion that the applicant is entitled to them. This authority specifically permits the Administrator to settle disputed claims for benefits and any other disputed claims made against the Plan;
- (h) To appoint such agents, counsel, accountants, consultants, and other persons or entities as may be required to assist in administering the Plan.

Any procedure, discretionary act, interpretation or construction taken by the Administrator shall be done in a nondiscriminatory manner based upon uniform principles consistently applied and shall be consistent with the intent that the Plan shall continue to comply with the terms of Code Section 125 and the Treasury regulations thereunder.

9.2 EXAMINATION OF RECORDS

The Administrator shall make available to each Participant, Eligible Employee and any other Employee of the Employer such records as pertain to their interest under the Plan for examination at reasonable times during normal business hours.

9.3 PAYMENT OF EXPENSES

Any reasonable administrative expenses shall be paid by the Employer unless the Employer determines that administrative costs shall be borne by the Participants under the Plan or by any Trust Fund which may be established hereunder. The Administrator may impose reasonable conditions for payments, provided that such conditions shall not discriminate in favor of highly compensated employees.

9.4 INSURANCE CONTROL CLAUSE

In the event of a conflict between the terms of this Plan and the terms of an Insurance Contract of an independent third party Insurer whose product is then being used in conjunction with this Plan, the terms of the Insurance Contract shall control as to those Participants receiving coverage under such Insurance Contract. For this purpose, the Insurance Contract shall control in defining the persons eligible for insurance, the dates of their eligibility, the conditions which must be satisfied to become insured, if any, the benefits Participants are entitled to and the circumstances under which insurance terminates.

9.5 INDEMNIFICATION OF ADMINISTRATOR

The Employer agrees to indemnify and to defend to the fullest extent permitted by law any Employee serving as the Administrator or as a member of a committee designated as Administrator (including any Employee or former Employee who previously served as Administrator or as a member of such committee) against all liabilities, damages, costs and expenses (including attorney's fees and amounts paid in settlement of any claims approved by the Employer) occasioned by any act or omission to act in connection with the Plan, if such act or omission is in good faith.

ARTICLE X AMENDMENT OR TERMINATION OF PLAN

10.1 AMENDMENT

The Employer, at any time or from time to time, may amend any or all of the provisions of the Plan without the consent of any Employee or Participant. No amendment shall have the effect of modifying any benefit election of any Participant in effect at the time of such amendment, unless such amendment is made to comply with Federal, state or local laws, statutes or regulations.

10.2 TERMINATION

The Employer reserves the right to terminate this Plan, in whole or in part, at any time. In the event the Plan is terminated, no further contributions shall be made. Benefits under any Insurance Contract shall be paid in accordance with the terms of the Insurance Contract.

No further additions shall be made to the Health Flexible Spending Account or Dependent Care Flexible Spending Account, but all payments from such fund shall continue to be made according to the elections in effect until 90 days after the termination date of the Plan. Any amounts remaining in any such fund or account as of the end of such period shall be forfeited and deposited in the benefit plan surplus after the expiration of the filing period.

ARTICLE XI MISCELLANEOUS

11.1 PLAN INTERPRETATION

All provisions of this Plan shall be interpreted and applied in a uniform, nondiscriminatory manner. This Plan shall be read in its entirety and not severed except as provided in Section 11.12.

11.2 GENDER, NUMBER AND TENSE

Wherever any words are used herein in one gender, they shall be construed as though they were also used in all genders in all cases where they would so apply; whenever any words are used herein in the singular or plural form, they shall be construed as though they were also used in the other form in all cases where they would so apply; and whenever any words are used herein in the past or present tense, they shall be construed as though they were also used in the other form in all cases where they would so apply.

11.3 WRITTEN DOCUMENT

This Plan, in conjunction with any separate written document which may be required by law, is intended to satisfy the written Plan requirement of Code Section 125 and any Treasury regulations thereunder relating to cafeteria plans.

11.4 EXCLUSIVE BENEFIT

This Plan shall be maintained for the exclusive benefit of the Employees who participate in the Plan.

11.5 PARTICIPANT'S RIGHTS

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

11.6 ACTION BY THE EMPLOYER

Whenever the Employer under the terms of the Plan is permitted or required to do or perform any act or matter or thing, it shall be done and performed by a person duly authorized by its legally constituted authority.

11.7 EMPLOYER'S PROTECTIVE CLAUSES

(a) **Insurance purchase.** Upon the failure of either the Participant or the Employer to obtain the insurance contemplated by this Plan (whether as a result of negligence, gross neglect or otherwise), the Participant's Benefits shall be limited to the insurance premium(s), if any, that remained unpaid for the period in question and the actual insurance proceeds, if any, received by the Employer or the Participant as a result of the Participant's claim.

(b) **Validity of insurance contract.** The Employer shall not be responsible for the validity of any Insurance Contract issued hereunder or for the failure on the part of the Insurer to make payments provided for under any Insurance Contract. Once insurance is applied for or obtained, the Employer shall not be liable for any loss which may result from the failure to pay Premiums to the extent Premium notices are not received by the Employer.

11.8 NO GUARANTEE OF TAX CONSEQUENCES

Neither the Administrator nor the Employer makes any commitment or guarantee that any amounts paid to or for the benefit of a Participant under the Plan will be excludable from the Participant's gross income for federal or state income tax purposes, or that any other federal or state tax treatment will apply to or be available to any Participant. It shall be the obligation of each Participant to determine whether each payment under the Plan is excludable from the Participant's gross income for federal and state income tax purposes, and to notify the Employer if the Participant has reason to believe that any such payment is not so excludable. Notwithstanding the foregoing, the rights of Participants under this Plan shall be legally enforceable.

11.9 INDEMNIFICATION OF EMPLOYER BY PARTICIPANTS

If any Participant receives one or more payments or reimbursements under the Plan that are not for a permitted Benefit, such Participant shall indemnify and reimburse the Employer for any liability it may incur for failure to withhold federal or state income tax or Social Security tax from such payments or reimbursements. However, such indemnification and reimbursement shall not exceed the amount of additional federal and state income tax (plus any penalties) that the Participant would have owed if the payments or reimbursements had been made to the Participant as regular cash compensation, plus the Participant's share of any Social Security tax that would have been paid on such compensation, less any such additional income and Social Security tax actually paid by the Participant.

11.10 FUNDING

Unless otherwise required by law, contributions to the Plan need not be placed in trust or dedicated to a specific Benefit, but may instead be considered general assets of the Employer. Furthermore, and unless otherwise required by law, nothing herein shall be construed to require the Employer or the Administrator to maintain any fund or segregate any amount for the benefit of any Participant, and no Participant or other person shall have any claim against, right to, or security or other interest in, any fund, account or asset of the Employer from which any payment under the Plan may be made.

11.11 GOVERNING LAW

This Plan is governed by the Code and the Treasury regulations issued thereunder (as they might be amended from time to time). In no event shall the Employer guarantee the favorable tax treatment sought by this Plan. To the extent not preempted by Federal law, the provisions of this Plan shall be construed, enforced and administered according to the laws of the Commonwealth of Virginia.

11.12 SEVERABILITY

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

11.13 CAPTIONS

The captions contained herein are inserted only as a matter of convenience and for reference, and in no way define, limit, enlarge or describe the scope or intent of the Plan, nor in any way shall affect the Plan or the construction of any provision thereof.

11.14 CONTINUATION OF COVERAGE (COBRA)

Notwithstanding anything in the Plan to the contrary, in the event any benefit under this Plan subject to the continuation coverage requirement of Code Section 4980B becomes unavailable, each Participant will be entitled to continuation coverage as prescribed in Code Section 4980B, and related regulations. This Section shall only apply if the Employer employs at least twenty (20) employees on more than 50% of its typical business days in the previous calendar year.

11.15 FAMILY AND MEDICAL LEAVE ACT (FMLA)

Notwithstanding anything in the Plan to the contrary, in the event any benefit under this Plan becomes subject to the requirements of the Family and Medical Leave Act and regulations thereunder, this Plan shall be operated in accordance with Regulation 1.125-3.

11.16 HEALTH INSURANCE PORTABILITY AND ACCOUNTABILITY ACT (HIPAA)

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

11.17 UNIFORMED SERVICES EMPLOYMENT AND REEMPLOYMENT RIGHTS ACT (USERRA)

Notwithstanding any provision of this Plan to the contrary, contributions, benefits and service credit with respect to qualified military service shall be provided in accordance with the Uniform Services Employment And Reemployment Rights Act (USERRA) and the regulations thereunder.

11.18 COMPLIANCE WITH HIPAA PRIVACY STANDARDS

(a) **Application.** If any benefits under this Cafeteria Plan are subject to the Standards for Privacy of Individually Identifiable Health Information (45 CFR Part 164, the "Privacy Standards"), then this Section shall apply.

(b) **Disclosure of PHI.** The Plan shall not disclose Protected Health Information to any member of the Employer's workforce unless each of the conditions set out in this Section are met. "Protected Health Information" shall have the same definition as set forth in the Privacy Standards but generally shall mean individually identifiable information about the past, present or future physical or mental health or condition of an individual, including genetic information and information about treatment or payment for treatment.

(c) **PHI disclosed for administrative purposes.** Protected Health Information disclosed to members of the Employer's workforce shall be used or disclosed by them only for purposes of Plan administrative functions. The Plan's administrative functions shall include all Plan payment functions and health care operations. The terms "payment" and "health care operations" shall have the same definitions as set out in the Privacy Standards, but the term "payment" generally shall mean activities taken to determine or fulfill Plan responsibilities with respect to eligibility, coverage, provision of benefits, or reimbursement for health care. Protected Health Information that consists of genetic information will not be used or disclosed for underwriting purposes.

(d) **PHI disclosed to certain workforce members.** The Plan shall disclose Protected Health Information only to members of the Employer's workforce who are designated and authorized to receive such Protected Health Information, and only to the extent and in the minimum amount necessary for that person to perform his or her duties with respect to the Plan. "Members of the Employer's workforce" shall refer to all employees and other persons under the control of the Employer. The Employer shall keep an updated list of those authorized to receive Protected Health Information.

(1) An authorized member of the Employer's workforce who receives Protected Health Information shall use or disclose the Protected Health Information only to the extent necessary to perform his or her duties with respect to the Plan.

(2) In the event that any member of the Employer's workforce uses or discloses Protected Health Information other than as permitted by this Section and the Privacy Standards, the incident shall be reported to the Plan's privacy official. The privacy official shall take appropriate action, including:

- (i) investigation of the incident to determine whether the breach occurred inadvertently, through negligence or deliberately; whether there is a pattern of breaches; and the degree of harm caused by the breach;
- (ii) appropriate sanctions against the persons causing the breach which, depending upon the nature of the breach, may include oral or written reprimand, additional training, or termination of employment;
- (iii) mitigation of any harm caused by the breach, to the extent practicable; and
- (iv) documentation of the incident and all actions taken to resolve the issue and mitigate any damages.

- (e) **Certification.** The Employer must provide certification to the Plan that it agrees to:
- (1) Not use or further disclose the information other than as permitted or required by the Plan documents or as required by law;
 - (2) Ensure that any agent or subcontractor, to whom it provides Protected Health Information received from the Plan, agrees to the same restrictions and conditions that apply to the Employer with respect to such information;
 - (3) Not use or disclose Protected Health Information for employment-related actions and decisions or in connection with any other benefit or employee benefit plan of the Employer;
 - (4) Report to the Plan any use or disclosure of the Protected Health Information of which it becomes aware that is inconsistent with the uses or disclosures permitted by this Section, or required by law;
 - (5) Make available Protected Health Information to individual Plan members in accordance with Section 164.524 of the Privacy Standards;
 - (6) Make available Protected Health Information for amendment by individual Plan members and incorporate any amendments to Protected Health Information in accordance with Section 164.526 of the Privacy Standards;
 - (7) Make available the Protected Health Information required to provide an accounting of disclosures to individual Plan members in accordance with Section 164.528 of the Privacy Standards;
 - (8) Make its internal practices, books and records relating to the use and disclosure of Protected Health Information received from the Plan available to the Department of Health and Human Services for purposes of determining compliance by the Plan with the Privacy Standards;
 - (9) If feasible, return or destroy all Protected Health Information 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 purpose for which disclosure was made, except that, if such return or destruction is not feasible, limit further uses and disclosures to those purposes that make the return or destruction of the information infeasible; and
 - (10) Ensure the adequate separation between the Plan and members of the Employer's workforce, as required by Section 164.504(f)(2)(iii) of the Privacy Standards and set out in (d) above.

11.19 COMPLIANCE WITH HIPAA ELECTRONIC SECURITY STANDARDS

Under the Security Standards for the Protection of Electronic Protected Health Information (45 CFR Part 164.300 et. seq., the "Security Standards"):

- (a) **Implementation.** The Employer agrees to implement reasonable and appropriate administrative, physical and technical safeguards to protect the confidentiality, integrity and availability of Electronic Protected Health Information that the Employer creates, maintains or transmits on behalf of the Plan. "Electronic Protected Health Information" shall have the same definition as set out in the Security Standards, but generally shall mean Protected Health Information that is transmitted by or maintained in electronic media.
- (b) **Agents or subcontractors shall meet security standards.** The Employer shall ensure that any agent or subcontractor to whom it provides Electronic Protected Health Information shall agree, in writing, to implement reasonable and appropriate security measures to protect the Electronic Protected Health Information.
- (c) **Employer shall ensure security standards.** The Employer shall ensure that reasonable and appropriate security measures are implemented to comply with the conditions and requirements set forth in Section 11.18.

11.20 MENTAL HEALTH PARITY AND ADDICTION EQUITY ACT

Notwithstanding anything in the Plan to the contrary, the Plan will comply with the Mental Health Parity and Addiction Equity Act.

11.21 GENETIC INFORMATION NONDISCRIMINATION ACT (GINA)

Notwithstanding anything in the Plan to the contrary, the Plan will comply with the Genetic Information Nondiscrimination Act.

11.22 WOMEN'S HEALTH AND CANCER RIGHTS ACT

Notwithstanding anything in the Plan to the contrary, the Plan will comply with the Women's Health and Cancer Rights Act of 1998.

11.23 NEWBORNS' AND MOTHERS' HEALTH PROTECTION ACT

Notwithstanding anything in the Plan to the contrary, the Plan will comply with the Newborns' and Mothers' Health Protection Act.

IN WITNESS WHEREOF, this Plan document is hereby executed this _____ day of _____.

Rivanna Solid Waste Authority

By _____
EMPLOYER

**RIVANNA SOLID WASTE AUTHORITY
FLEXIBLE BENEFIT PLAN
SUMMARY PLAN DESCRIPTION**

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**XI
SUMMARY**

**RIVANNA SOLID WASTE AUTHORITY
FLEXIBLE BENEFIT PLAN**

INTRODUCTION

We have amended the "Flexible Benefits Plan" that we previously established for you and other eligible employees. Under this Plan, you will be able to choose among certain benefits that we make available. The benefits that you may choose are outlined in this Summary Plan Description. We will also tell you about other important information concerning the amended Plan, such as the rules you must satisfy before you can join and the laws that protect your rights.

One of the most important features of our Plan is that the benefits being offered are generally ones that you are already paying for, but normally with money that has first been subject to income and Social Security taxes. Under our Plan, these same expenses will be paid for with a portion of your pay before Federal and State income or Social Security taxes are withheld. This means that you will pay less tax and have more money to spend and save.

Read this Summary Plan Description carefully so that you understand the provisions of our amended Plan and the benefits you will receive. This SPD describes the Plan's benefits and obligations as contained in the legal Plan document, which governs the operation of the Plan. The Plan document is written in much more technical and precise language. If the non-technical language in this SPD and the technical, legal language of the Plan document conflict, the Plan document always governs. Also, if there is a conflict between an insurance contract and either the Plan document or this Summary Plan Description, the insurance contract will control. If you wish to receive a copy of the legal Plan document, please contact the Administrator.

This SPD describes the current provisions of the Plan which are designed to comply with applicable legal requirements. The Plan is subject to federal laws, such as the Internal Revenue Code and other federal and state laws which may affect your rights. The provisions of the Plan are subject to revision due to a change in laws or due to pronouncements by the Internal Revenue Service (IRS) or other federal agencies. We may also amend or terminate this Plan. If the provisions of the Plan that are described in this SPD change, we will notify you.

We have attempted to answer most of the questions you may have regarding your benefits in the Plan. If this SPD does not answer all of your questions, please contact the Administrator (or other plan representative). The name and address of the Administrator can be found in the Article of this SPD entitled "General Information About the Plan."

**I
ELIGIBILITY**

1. When can I become a participant in the Plan?

Before you become a Plan member (referred to in this Summary Plan Description as a "Participant"), there are certain rules which you must satisfy. First, you must meet the eligibility requirements and be an active employee. After that, the next step is to actually join the Plan on the "entry date" that we have established for all employees. The "entry date" is defined in Question 3 below. You will also be required to complete certain application forms before you can enroll in the Plan.

2. What are the eligibility requirements for our Plan?

You will be eligible to join the Plan as of your date of hire with us. Of course, if you were already a participant before this amendment, you will remain a participant.

3. When is my entry date?

Once you have met the eligibility requirements, your entry date will be the first day of the month coinciding with or following the date you met the eligibility requirements.

4. Are there any employees who are not eligible?

Yes, there are certain employees who are not eligible to join the Plan. They are:

-- Employees who are part-time. A part-time employee is someone who works, or is expected to work, less than 30 hours a week.

5. What must I do to enroll in the Plan?

Before you can join the Plan, you must complete an application to participate in the Plan. The application includes your personal choices for each of the benefits which are being offered under the Plan. You must also authorize us to set some of your earnings aside in order to pay for the benefits you have elected.

II OPERATION

1. How does this Plan operate?

Before the start of each Plan Year, you will be able to elect to have some of your upcoming pay contributed to the Plan. These amounts will be used to pay for the benefits you have chosen. The portion of your pay that is paid to the Plan is not subject to Federal or State income or Social Security taxes. In other words, this allows you to use tax-free dollars to pay for certain kinds of benefits and expenses which you normally pay for with out-of-pocket, taxable dollars. However, if you receive a reimbursement for an expense under the Plan, you cannot claim a Federal income tax credit or deduction on your return. (See the Article entitled "General Information About Our Plan" for the definition of "Plan Year.")

III CONTRIBUTIONS

1. How much of my pay may the Employer redirect?

Each year, you may elect to have us contribute on your behalf enough of your compensation to pay for the benefits that you elect under the Plan. These amounts will be deducted from your pay over the course of the year.

2. What happens to contributions made to the Plan?

Before each Plan Year begins, you will select the benefits you want and how much of the contributions should go toward each benefit. It is very important that you make these choices carefully based on what you expect to spend on each covered benefit or expense during the Plan Year. Later, they will be used to pay for the expenses as they arise during the Plan Year.

3. When must I decide which accounts I want to use?

You are required by Federal law to decide before the Plan Year begins, during the election period (defined below). You must decide two things. First, which benefits you want and, second, how much should go toward each benefit.

4. When is the election period for our Plan?

You will make your initial election on or before your entry date. (You should review Section I on Eligibility to better understand the eligibility requirements and entry date.) Then, for each following Plan Year, the election period is established by the Administrator and applied uniformly to all Participants. It will normally be a period of time prior to the beginning of each Plan Year. The Administrator will inform you each year about the election period. (See the Article entitled "General Information About Our Plan" for the definition of Plan Year.)

5. May I change my elections during the Plan Year?

Generally, you cannot change the elections you have made after the beginning of the Plan Year. However, there are certain limited situations when you can change your elections. You are permitted to change elections if you have a "change in status" and you make an election change that is consistent with the change in status. Currently, Federal law considers the following events to be a change in status:

- Marriage, divorce, death of a spouse, legal separation or annulment;
- Change in the number of dependents, including birth, adoption, placement for adoption, or death of a dependent;
- Any of the following events for you, your spouse or dependent: termination or commencement of employment, a strike or lockout, commencement or return from an unpaid leave of absence, a change in worksite, or any other change in employment status that affects eligibility for benefits;
- One of your dependents satisfies or ceases to satisfy the requirements for coverage due to change in age, student status, or any similar circumstance; and
- A change in the place of residence of you, your spouse or dependent that would lead to a change in status, such as moving out of a coverage area for insurance.

In addition, if you are participating in the Dependent Care Flexible Spending Account, then there is a change in status if your dependent no longer meets the qualifications to be eligible for dependent care.

However, with respect to the Health Savings Account, you may modify or revoke your elections without having to have a change in status.

There are detailed rules on when a change in election is deemed to be consistent with a change in status. In addition, there are laws that give you rights to change health coverage for you, your spouse, or your dependents. If you change coverage due to rights you have

under the law, then you can make a corresponding change in your elections under the Plan. If any of these conditions apply to you, you should contact the Administrator.

If the cost of a benefit provided under the Plan increases or decreases during a Plan Year, then we will automatically increase or decrease, as the case may be, your salary redirection election. If the cost increases significantly, you will be permitted to either make corresponding changes in your payments or revoke your election and obtain coverage under another benefit package option with similar coverage, or revoke your election entirely.

If the coverage under a Benefit is significantly curtailed or ceases during a Plan Year, then you may revoke your elections and elect to receive on a prospective basis coverage under another plan with similar coverage. In addition, if we add a new coverage option or eliminate an existing option, you may elect the newly-added option (or elect another option if an option has been eliminated) and make corresponding election changes to other options providing similar coverage. If you are not a Participant, you may elect to join the Plan. There are also certain situations when you may be able to change your elections on account of a change under the plan of your spouse's, former spouse's or dependent's employer.

These rules on change due to cost or coverage do not apply to the Health Flexible Spending Account, and you may not change your election to the Health Flexible Spending Account if you make a change due to cost or coverage for insurance or if you decide to participate in the Health Savings Account.

You may not change your election under the Dependent Care Flexible Spending Account if the cost change is imposed by a dependent care provider who is your relative.

You may revoke your coverage under the employer's group health plan outside of our open enrollment period, if your employment status changes from working at least 30 hours per week to less than 30 hours. This is regardless of whether the reduction in hours has resulted in loss of eligibility. You must show intent to enroll in another health plan.

You may also revoke your coverage under our Employer sponsored group health plan if you are eligible to obtain coverage through the health exchanges.

6. May I make new elections in future Plan Years?

Yes, you may. For each new Plan Year, you may change the elections that you previously made. You may also choose not to participate in the Plan for the upcoming Plan Year. If you do not make new elections during the election period before a new Plan Year begins, we will assume you want your elections for insured benefits only to remain the same and you will not be considered a Participant for the non-insured benefit options under the Plan for the upcoming Plan Year.

IV BENEFITS

1. Health Flexible Spending Account

The Health Flexible Spending Account enables you to pay for expenses allowed under Sections 105 and 213(d) of the Internal Revenue Code which are not covered by our insured medical plan and save taxes at the same time. The Health Flexible Spending Account allows you to be reimbursed by the Employer for expenses incurred by you and your dependents.

Drug costs, including insulin, may be reimbursed.

You may not be reimbursed for the cost of other health care coverage maintained outside of the Plan, or for long-term care expenses. A list of covered expenses is available from the Administrator.

For 2022, the most you can contribute is \$2,850. After 2022, the dollar limit may increase for cost of living adjustments. In addition, for 2022 you will be eligible to carryover amounts left in your Health Flexible Spending Account, up to \$570. This means that amounts you do not use during a Plan Year can be carried over to the next Plan Year and used for expenses incurred in the next Plan Year.

In order to be reimbursed for a health care expense, you must submit to the Administrator an itemized bill from the service provider. We will also provide you with a debit or credit card to use to pay for medical expenses. The Administrator will provide you with further details. Amounts reimbursed from the Plan may not be claimed as a deduction on your personal income tax return. Reimbursement from the fund shall be paid at least once a month. Expenses under this Plan are treated as being "incurred" when you are provided with the care that gives rise to the expenses, not when you are formally billed or charged, or you pay for the medical care.

You may be reimbursed for expenses for any child until the end of the calendar year in which the child reaches age 26. A child is a natural child, stepchild, foster child, adopted child, or a child placed with you for adoption. If a child gains or regains eligibility due to these new rules, that qualifies as a change in status to change coverage.

Newborns' and Mothers' Health Protection Act: Group health plans generally may not, under Federal law, restrict benefits for any hospital length of stay in connection with childbirth for the mother or newborn child to less than 48 hours following a vaginal delivery, or less than 96 hours following a cesarean section. However, Federal law generally does not prohibit the mother's or newborn's attending

provider, after consulting with the mother, from discharging the mother or her newborn earlier than 48 hours (or 96 hours as applicable). In any case, plans and issuers may not, under Federal law, require that a provider obtain authorization from the plan or the issuer for prescribing a length of stay not in excess of 48 hours (or 96 hours).

Women's Health and Cancer Rights Act: This plan, as required by the Women's Health and Cancer Rights Act of 1998, will reimburse up to plan limits for benefits for mastectomy-related services including reconstruction and surgery to achieve symmetry between the breasts, prostheses, and complications resulting from a mastectomy (including lymphedema). Contact your Plan Administrator for more information.

2. Dependent Care Flexible Spending Account

The Dependent Care Flexible Spending Account enables you to pay for out-of-pocket, work-related dependent day-care cost with pre-tax dollars. If you are married, you can use the account if you and your spouse both work or, in some situations, if your spouse goes to school full-time. Single employees can also use the account.

An eligible dependent is someone for whom you can claim expenses on Federal Income Tax Form 2441 "Credit for Child and Dependent Care Expenses." Children must be under age 13. Other dependents must be physically or mentally unable to care for themselves. Dependent Care arrangements which qualify include:

- (a) A Dependent (Day) Care Center, provided that if care is provided by the facility for more than six individuals, the facility complies with applicable state and local laws;
- (b) An Educational Institution for pre-school children. For older children, only expenses for non-school care are eligible; and
- (c) An "Individual" who provides care inside or outside your home: The "Individual" may not be a child of yours under age 19 or anyone you claim as a dependent for Federal tax purposes.

You should make sure that the dependent care expenses you are currently paying for qualify under our Plan. We will also provide you with a debit or credit card to use to pay for dependent care expenses. The Administrator will provide you with further details.

The law places limits on the amount of money that can be paid to you in a calendar year from your Dependent Care Flexible Spending Account. Generally, your reimbursements may not exceed the lesser of: (a) \$5,000 (if you are married filing a joint return or you are head of a household) or \$2,500 (if you are married filing separate returns); (b) your taxable compensation; (c) your spouse's actual or deemed earned income (a spouse who is a full time student or incapable of caring for himself/herself has a monthly earned income of \$250 for one dependent or \$500 for two or more dependents).

Also, in order to have the reimbursements made to you from this account be excludable from your income, you must provide a statement from the service provider including the name, address, and in most cases, the taxpayer identification number of the service provider on your tax form for the year, as well as the amount of such expense as proof that the expense has been incurred. In addition, Federal tax laws permit a tax credit for certain dependent care expenses you may be paying for even if you are not a Participant in this Plan. You may save more money if you take advantage of this tax credit rather than using the Dependent Care Flexible Spending Account under our Plan. Ask your tax adviser which is better for you.

3. Premium Expense Account

A Premium Expense Account allows you to use tax-free dollars to pay for certain premium expenses under various insurance programs that we offer you. These premium expenses include:

- Health care premiums under our insured group medical plan.
- Group term life insurance premiums.
- Dental insurance premiums.
- Disability insurance premiums.
- Cancer insurance premiums.
- Vision insurance premiums.
- Accident insurance premiums.

Under our Plan, we will establish sub-accounts for you for each different type of insurance coverage that is available. Also, certain limits on the amount of coverage may apply.

The Administrator may terminate or modify Plan benefits at any time, subject to the provisions of any insurance contracts providing benefits described above. We will not be liable to you if an insurance company fails to provide any of the benefits described above. Also,

your insurance will end when you leave employment, are no longer eligible under the terms of any insurance policies, or when insurance terminates.

Any benefits to be provided by insurance will be provided only after (1) you have provided the Administrator the necessary information to apply for insurance, and (2) the insurance is in effect for you.

If you cover your children up to age 26 under your insurance, you can pay for that coverage through the Plan.

4. May I direct Plan contributions to my Health Savings Account?

Yes. Any monies that you do not apply toward available benefits can be contributed to your Health Savings Account, which enables you to pay for expenses which are not covered by our insured medical plan and save taxes at the same time. Please see your Plan Administrator for further details.

V BENEFIT PAYMENTS

1. When will I receive payments from my accounts?

During the course of the Plan Year, you may submit requests for reimbursement of expenses you have incurred. Expenses are considered "incurred" when the service is performed, not necessarily when it is paid for. The Administrator will provide you with acceptable forms for submitting these requests for reimbursement. If the request qualifies as a benefit or expense that the Plan has agreed to pay, you will receive a reimbursement payment soon thereafter. Remember, these reimbursements which are made from the Plan are generally not subject to federal or State income tax or withholding. Nor are they subject to Social Security taxes. Requests for payment of insured benefits should be made directly to the insurer. You will only be reimbursed from the Dependent Care Flexible Spending Account to the extent that there are sufficient funds in the Account to cover your request.

2. What happens if I don't spend all Plan contributions during the Plan Year?

If you have not spent all the amounts in your Dependent Care Flexible Spending Account by the end of the Plan Year, you may continue to incur claims for expenses during the "Grace Period." The "Grace Period" extends 2 1/2 months after the end of the Plan Year, during which time you can continue to incur claims and use up all amounts remaining in your Dependent Care Flexible Spending Account.

Any monies left at the end of the Plan Year and the Grace Period will be forfeited, except for amounts contributed to your Health Savings Account. Obviously, qualifying expenses that you incur late in the Plan Year or during the Grace Period for which you seek reimbursement after the end of such Plan Year and Grace Period will be paid first before any amount is forfeited. For the Health Flexible Spending Account, you must submit claims no later than 90 days after the end of the Plan Year. For the Dependent Care Flexible Spending Account, you must submit claims no later than 90 days after the end of the Plan Year. Because it is possible that you might forfeit amounts in the Plan if you do not fully use the contributions that have been made, it is important that you decide how much to place in each account carefully and conservatively. Remember, you must decide which benefits you want to contribute to and how much to place in each account before the Plan Year begins. You want to be as certain as you can that the amount you decide to place in each account will be used up entirely.

3. Family and Medical Leave Act (FMLA)

If you take leave under the Family and Medical Leave Act, you may revoke or change your existing elections for health insurance, group-term life insurance and the Health Flexible Spending Account. If your coverage in these benefits terminates, due to your revocation of the benefit while on leave or due to your non-payment of contributions, you will be permitted to reinstate coverage for the remaining part of the Plan Year upon your return. For the Health Flexible Spending Account, you may continue your coverage or you may revoke your coverage and resume it when you return. You can resume your coverage at its original level and make payments for the time that you are on leave. For example, if you elect \$1,200 for the year and are out on leave for 3 months, then return and elect to resume your coverage at that level, your remaining payments will be increased to cover the difference - from \$100 per month to \$150 per month. Alternatively your maximum amount will be reduced proportionately for the time that you were gone. For example, if you elect \$1,200 for the year and are out on leave for 3 months, your amount will be reduced to \$900. The expenses you incur during the time you are not in the Health Flexible Spending Account are not reimbursable.

If you continue your coverage during your unpaid leave, you may pre-pay for the coverage, you may pay for your coverage on an after-tax basis while you are on leave, or you and your Employer may arrange a schedule for you to "catch up" your payments when you return.

4. Uniformed Services Employment and Reemployment Rights Act (USERRA)

If you are going into or returning from military service, you may have special rights to health care coverage under your Health Flexible Spending Account under the Uniformed Services Employment and Reemployment Rights Act of 1994. These rights can include extended health care coverage. If you may be affected by this law, ask your Administrator for further details.

5. What happens if I terminate employment?

If you terminate employment during the Plan Year, your right to benefits will be determined in the following manner:

- (a) You will remain covered by insurance, but only for the period for which premiums have been paid prior to your termination of employment.
- (b) You will still be able to request reimbursement for qualifying dependent care expenses incurred during the remainder of the Plan Year from the balance remaining in your dependent care account at the time of termination of employment. However, no further salary redirection contributions will be made on your behalf after you terminate. You must submit claims within 90 days after the end of the Plan Year in which termination occurs.
- (c) Your Health Savings Account amounts will remain yours even after your termination of employment.
- (d) For health benefit coverage and Health Flexible Spending Account coverage on termination of employment, please see the Article entitled "Continuation Coverage Rights Under COBRA." Upon your termination of employment, your participation in the Health Flexible Spending Account will cease, and no further salary redirection contributions will be contributed on your behalf. However, you will be able to submit claims for health care expenses that were incurred before the end of the period for which payments to the Health Flexible Spending Account have already been made. Your further participation will be governed by "Continuation Coverage Rights Under COBRA."

6. Will my Social Security benefits be affected?

Your Social Security benefits may be slightly reduced because when you receive tax-free benefits under our Plan, it reduces the amount of contributions that you make to the Federal Social Security system as well as our contribution to Social Security on your behalf.

VI HIGHLY COMPENSATED AND KEY EMPLOYEES

1. Do limitations apply to highly compensated employees?

Under the Internal Revenue Code, highly compensated employees and key employees generally are Participants who are officers, shareholders or highly paid. You will be notified by the Administrator each Plan Year whether you are a highly compensated employee or a key employee.

If you are within these categories, the amount of contributions and benefits for you may be limited so that the Plan as a whole does not unfairly favor those who are highly paid, their spouses or their dependents. Federal tax laws state that a plan will be considered to unfairly favor the key employees if they as a group receive more than 25% of all of the nontaxable benefits provided for under our Plan.

Plan experience will dictate whether contribution limitations on highly compensated employees or key employees will apply. You will be notified of these limitations if you are affected.

VII PLAN ACCOUNTING

1. Periodic Statements

The Administrator will provide you with a statement of your account periodically during the Plan Year that shows your account balance. It is important to read these statements carefully so you understand the balance remaining to pay for a benefit. Remember, you want to spend all the money you have designated for a particular benefit by the end of the Plan Year.

VIII GENERAL INFORMATION ABOUT OUR PLAN

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

1. General Plan Information

Rivanna Solid Waste Authority Flexible Benefit Plan is the name of the Plan.

Your Employer has assigned Plan Number 504 to your Plan.

The provisions of your amended Plan become effective on July 1, 2022. Your Plan was originally effective on January 1, 2006.

Your Plan's records are maintained on a twelve-month period of time. This is known as the Plan Year. The Plan Year begins on July 1 and ends on June 30.

2. Employer Information

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

Rivanna Solid Waste Authority
695 Moores Creek Lane
Charlottesville, Virginia 22902
54-1562720

3. Plan Administrator Information

The name, address and business telephone number of your Plan's Administrator are:

Rivanna Solid Waste Authority
695 Moores Creek Lane
Charlottesville, Virginia 22902
(434) 977-2970

The Administrator keeps the records for the Plan and is responsible for the administration of the Plan. The Administrator will also answer any questions you may have about our Plan. You may contact the Administrator for any further information about the Plan.

4. Service of Legal Process

The name and address of the Plan's agent for service of legal process are:

Rivanna Solid Waste Authority
695 Moores Creek Lane
Charlottesville, Virginia 22902

5. Type of Administration

The type of Administration is Employer Administration.

6. Claims Submission

Claims for expenses should be submitted to:

Flexible benefit Administrators, Inc.
Post Office Drawer 8188
Virginia Beach, VA 23450

IX ADDITIONAL PLAN INFORMATION

1. Claims Process

You should submit all reimbursement claims during the Plan Year. For the Health Flexible Spending Account, you must submit claims no later than 90 days after the end of the Plan Year. For the Dependent Care Flexible Spending Account, you must submit claims no later than 90 days after the end of the Plan Year. Any claims submitted after that time will not be considered.

Claims that are insured will be handled in accordance with procedures contained in the insurance policies. All other general requests should be directed to the Administrator of our Plan. If a dependent care or medical expense claim under the Plan is denied in whole or in part, you or your beneficiary will receive written notification. The notification will include the reasons for the denial, with reference to the specific provisions of the Plan on which the denial was based, a description of any additional information needed to process the claim and an explanation of the claims review procedure. Within 60 days after denial, you or your beneficiary may submit a written request for reconsideration of the denial to the Administrator.

Any such request should be accompanied by documents or records in support of your appeal. You or your beneficiary may review pertinent documents and submit issues and comments in writing. The Administrator will review the claim and provide, within 60 days, a written response to the appeal. (This period may be extended an additional 60 days under certain circumstances.) In this response, the Administrator will explain the reason for the decision, with specific reference to the provisions of the Plan on which the decision is based. The Administrator has the exclusive right to interpret the appropriate plan provisions. Decisions of the Administrator are conclusive and binding.

X CONTINUATION COVERAGE RIGHTS UNDER COBRA

Under federal law, the Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA), certain employees and their families covered under health benefits under this Plan will be entitled to the opportunity to elect a temporary extension of health coverage (called "COBRA continuation coverage") where coverage under the Plan would otherwise end. This notice is intended to inform Plan Participants and beneficiaries, in summary fashion, of their rights and obligations under the continuation coverage provisions of COBRA, as amended and reflected in final and proposed regulations published by the Department of the Treasury. This notice is intended to reflect the law and does not grant or take away any rights under the law.

The Plan Administrator or its designee is responsible for administering COBRA continuation coverage. Complete instructions on COBRA, as well as election forms and other information, will be provided by the Plan Administrator or its designee to Plan Participants who become Qualified Beneficiaries under COBRA. While the Plan itself is not a group health plan, it does provide health benefits. Whenever "Plan" is used in this section, it means any of the health benefits under this Plan including the Health Flexible Spending Account.

1. What is COBRA continuation coverage?

COBRA continuation coverage is the temporary extension of group health plan coverage that must be offered to certain Plan Participants and their eligible family members (called "Qualified Beneficiaries") at group rates. The right to COBRA continuation coverage is triggered by the occurrence of a life event that results in the loss of coverage under the terms of the Plan (the "Qualifying Event"). The coverage must be identical to the coverage that the Qualified Beneficiary had immediately before the Qualifying Event, or if the coverage has been changed, the coverage must be identical to the coverage provided to similarly situated active employees who have not experienced a Qualifying Event (in other words, similarly situated non-COBRA beneficiaries).

There may be other options available when you lose group health coverage. For example, you may be eligible to buy an individual plan through the Health Insurance Marketplace. By enrolling in coverage through the Marketplace, you may qualify for lower costs on your monthly premiums and lower out-of-pocket costs. Additionally, you may qualify for a 30-day special enrollment period for another group health plan for which you are eligible (such as a spouse's plan), even if that plan generally doesn't accept late enrollees.

2. Who can become a Qualified Beneficiary?

In general, a Qualified Beneficiary can be:

- (a) Any individual who, on the day before a Qualifying Event, is covered under a Plan by virtue of being on that day either a covered Employee, the Spouse of a covered Employee, or a Dependent child of a covered Employee. If, however, an individual who otherwise qualifies as a Qualified Beneficiary is denied or not offered coverage under the Plan under circumstances in which the denial or failure to offer constitutes a violation of applicable law, then the individual will be considered to have had the coverage and will be considered a Qualified Beneficiary if that individual experiences a Qualifying Event.
- (b) Any child who is born to or placed for adoption with a covered Employee during a period of COBRA continuation coverage, and any individual who is covered by the Plan as an alternate recipient under a qualified medical support order. If, however, an individual who otherwise qualifies as a Qualified Beneficiary is denied or not offered coverage under the Plan under circumstances in which the denial or failure to offer constitutes a violation of applicable law, then the individual will be considered to have had the coverage and will be considered a Qualified Beneficiary if that individual experiences a Qualifying Event.

The term "covered Employee" includes any individual who is provided coverage under the Plan due to his or her performance of services for the employer sponsoring the Plan. However, this provision does not establish eligibility of these individuals. Eligibility for Plan coverage shall be determined in accordance with Plan Eligibility provisions.

An individual is not a Qualified Beneficiary if the individual's status as a covered Employee is attributable to a period in which the individual was a nonresident alien who received from the individual's Employer no earned income that constituted income from sources within the United States. If, on account of the preceding reason, an individual is not a Qualified Beneficiary, then a Spouse or Dependent child of the individual will also not be considered a Qualified Beneficiary by virtue of the relationship to the individual. A domestic partner is not a Qualified Beneficiary.

Each Qualified Beneficiary (including a child who is born to or placed for adoption with a covered Employee during a period of COBRA continuation coverage) must be offered the opportunity to make an independent election to receive COBRA continuation coverage.

3. What is a Qualifying Event?

A Qualifying Event is any of the following if the Plan provided that the Plan participant would lose coverage (i.e., cease to be covered under the same terms and conditions as in effect immediately before the Qualifying Event) in the absence of COBRA continuation coverage:

- (a) The death of a covered Employee.

- (b) The termination (other than by reason of the Employee's gross misconduct), or reduction of hours, of a covered Employee's employment.
- (c) The divorce or legal separation of a covered Employee from the Employee's Spouse. If the Employee reduces or eliminates the Employee's Spouse's Plan coverage in anticipation of a divorce or legal separation, and a divorce or legal separation later occurs, then the divorce or legal separation may be considered a Qualifying Event even though the Spouse's coverage was reduced or eliminated before the divorce or legal separation.
- (d) A covered Employee's enrollment in any part of the Medicare program.
- (e) A Dependent child's ceasing to satisfy the Plan's requirements for a Dependent child (for example, attainment of the maximum age for dependency under the Plan).

If the Qualifying Event causes the covered Employee, or the covered Spouse or a Dependent child of the covered Employee, to cease to be covered under the Plan under the same terms and conditions as in effect immediately before the Qualifying Event, the persons losing such coverage become Qualified Beneficiaries under COBRA if all the other conditions of COBRA are also met. For example, any increase in contribution that must be paid by a covered Employee, or the Spouse, or a Dependent child of the covered Employee, for coverage under the Plan that results from the occurrence of one of the events listed above is a loss of coverage.

The taking of leave under the Family and Medical Leave Act of 1993, as amended ("FMLA") does not constitute a Qualifying Event. A Qualifying Event will occur, however, if an Employee does not return to employment at the end of the FMLA leave and all other COBRA continuation coverage conditions are present. If a Qualifying Event occurs, it occurs on the last day of FMLA leave and the applicable maximum coverage period is measured from this date (unless coverage is lost at a later date and the Plan provides for the extension of the required periods, in which case the maximum coverage date is measured from the date when the coverage is lost.) Note that the covered Employee and family members will be entitled to COBRA continuation coverage even if they failed to pay the employee portion of premiums for coverage under the Plan during the FMLA leave.

4. What factors should be considered when determining to elect COBRA continuation coverage?

When considering options for health coverage, Qualified Beneficiaries should consider:

- **Premiums:** This plan can charge up to 102% of total plan premiums for COBRA coverage. Other options, like coverage on a spouse's plan or through the Marketplace, may be less expensive. Qualified Beneficiaries have special enrollment rights under federal law (HIPAA). They have the right to request special enrollment in another group health plan for which they are otherwise eligible (such as a plan sponsored by a spouse's employer) within 30 days after Plan coverage ends due to one of the Qualifying Events listed above.
- **Provider Networks:** If a Qualified Beneficiary is currently getting care or treatment for a condition, a change in health coverage may affect access to a particular health care provider. You may want to check to see if your current health care providers participate in a network in considering options for health coverage.
- **Drug Formularies:** For Qualified Beneficiaries taking medication, a change in health coverage may affect costs for medication – and in some cases, the medication may not be covered by another plan. Qualified beneficiaries should check to see if current medications are listed in drug formularies for other health coverage.
- **Severance payments:** If COBRA rights arise because the Employee has lost his job and there is a severance package available from the employer, the former employer may have offered to pay some or all of the Employee's COBRA payments for a period of time. This can affect the timing of coverage available in the Marketplace. In this scenario, the Employee may want to contact the Department of Labor at 1-866-444-3272 to discuss options.
- **Medicare Eligibility:** You should be aware of how COBRA coverage coordinates with Medicare eligibility. If you are eligible for Medicare at the time of the Qualifying Event, or if you will become eligible soon after the Qualifying Event, you should know that you have 8 months to enroll in Medicare after your employment –related health coverage ends. Electing COBRA coverage does not extend this 8-month period. For more information, see [medicare.gov/sign-up-change-plan](https://www.medicare.gov/sign-up-change-plan).
- **Service Areas:** If benefits under the Plan are limited to specific service or coverage areas, benefits may not be available to a Qualified Beneficiary who moves out of the area.
- **Other Cost-Sharing:** In addition to premiums or contributions for health coverage, the Plan requires participants to pay copayments, deductibles, coinsurance, or other amounts as benefits are used. Qualified beneficiaries should check to see what the cost-sharing requirements are for other health coverage options. For example, one option may have much lower monthly premiums, but a much higher deductible and higher copayments.

Are there other coverage options besides COBRA Continuation Coverage? Yes. Instead of enrolling in COBRA continuation coverage, there may be other coverage options for Qualified Beneficiaries through the Health Insurance Marketplace, Medicaid, or other

group health plan coverage options (such as a spouse's plan) through what is called a "special enrollment period." Some of these options may cost less than COBRA continuation coverage. You can learn more about many of these options at www.healthcare.gov.

5. What is the procedure for obtaining COBRA continuation coverage?

The Plan has conditioned the availability of COBRA continuation coverage upon the timely election of such coverage. An election is timely if it is made during the election period.

6. What is the election period and how long must it last?

The election period is the time period within which the Qualified Beneficiary must elect COBRA continuation coverage under the Plan. The election period must begin no later than the date the Qualified Beneficiary would lose coverage on account of the Qualifying Event and ends 60 days after the later of the date the Qualified Beneficiary would lose coverage on account of the Qualifying Event or the date notice is provided to the Qualified Beneficiary of her or his right to elect COBRA continuation coverage. If coverage is not elected within the 60 day period, all rights to elect COBRA continuation coverage are forfeited.

Note: If a covered Employee who has been terminated or experienced a reduction of hours qualifies for a trade readjustment allowance or alternative trade adjustment assistance under a federal law called the Trade Act of 2002, as extended by the Trade Preferences Extension Act of 2015, and the employee and his or her covered dependents have not elected COBRA coverage within the normal election period, a second opportunity to elect COBRA coverage will be made available for themselves and certain family members, but only within a limited period of 60 days or less and only during the six months immediately after their group health plan coverage ended. Any person who qualifies or thinks that he or she and/or his or her family members may qualify for assistance under this special provision should contact the Plan Administrator or its designee for further information about the special second election period. If continuation coverage is elected under this extension, it will not become effective prior to the beginning of this special second election period.

7. Is a covered Employee or Qualified Beneficiary responsible for informing the Plan Administrator of the occurrence of a Qualifying Event?

The Plan will offer COBRA continuation coverage to Qualified Beneficiaries only after the Plan Administrator or its designee has been timely notified that a Qualifying Event has occurred. The Employer (if the Employer is not the Plan Administrator) will notify the Plan Administrator or its designee of the Qualifying Event within 30 days following the date coverage ends when the Qualifying Event is:

- (a) the end of employment or reduction of hours of employment,
- (b) death of the employee,
- (c) commencement of a proceeding in bankruptcy with respect to the Employer, or
- (d) entitlement of the employee to any part of Medicare.

IMPORTANT:

For the other Qualifying Events (divorce or legal separation of the employee and spouse or a dependent child's losing eligibility for coverage as a dependent child), you or someone on your behalf must notify the Plan Administrator or its designee in writing within 60 days after the Qualifying Event occurs, using the procedures specified below. If these procedures are not followed or if the notice is not provided in writing to the Plan Administrator or its designee during the 60-day notice period, any spouse or dependent child who loses coverage will not be offered the option to elect continuation coverage. You must send this notice to the Plan Administrator or its designee.

NOTICE PROCEDURES:

Any notice that you provide must be ***in writing***. Oral notice, including notice by telephone, is not acceptable. You must mail, fax or hand-deliver your notice to the person, department or firm listed below, at the following address:

Rivanna Solid Waste Authority
695 Moores Creek Lane
Charlottesville, Virginia 22902

If mailed, your notice must be postmarked no later than the last day of the required notice period. Any notice you provide must state:

- the **name of the plan or plans** under which you lost or are losing coverage,
- the **name and address of the employee** covered under the plan,
- the **name(s) and address(es) of the Qualified Beneficiary(ies)**, and
- the **Qualifying Event** and the **date** it happened.

If the Qualifying Event is a **divorce or legal separation**, your notice must include a **copy of the divorce decree or the legal separation agreement**.

Be aware that there are other notice requirements in other contexts, for example, in order to qualify for a disability extension.

Once the Plan Administrator or its designee receives *timely notice* that a Qualifying Event has occurred, COBRA continuation coverage will be offered to each of the qualified beneficiaries. Each Qualified Beneficiary will have an independent right to elect COBRA continuation coverage. Covered employees may elect COBRA continuation coverage for their spouses, and parents may elect COBRA continuation coverage on behalf of their children. For each Qualified Beneficiary who elects COBRA continuation coverage, COBRA continuation coverage will begin on the date that plan coverage would otherwise have been lost. If you or your spouse or dependent children do not elect continuation coverage within the 60-day election period described above, the right to elect continuation coverage will be lost.

8. Is a waiver before the end of the election period effective to end a Qualified Beneficiary's election rights?

If, during the election period, a Qualified Beneficiary waives COBRA continuation coverage, the waiver can be revoked at any time before the end of the election period. Revocation of the waiver is an election of COBRA continuation coverage. However, if a waiver is later revoked, coverage need not be provided retroactively (that is, from the date of the loss of coverage until the waiver is revoked). Waivers and revocations of waivers are considered made on the date they are sent to the Plan Administrator or its designee, as applicable.

9. Is COBRA coverage available if a Qualified Beneficiary has other group health plan coverage or Medicare?

Qualified Beneficiaries who are entitled to elect COBRA continuation coverage may do so even if they are covered under another group health plan or are entitled to Medicare benefits on or before the date on which COBRA is elected. However, a Qualified Beneficiary's COBRA coverage will terminate automatically if, after electing COBRA, he or she becomes entitled to Medicare or becomes covered under other group health plan coverage.

10. When may a Qualified Beneficiary's COBRA continuation coverage be terminated?

During the election period, a Qualified Beneficiary may waive COBRA continuation coverage. Except for an interruption of coverage in connection with a waiver, COBRA continuation coverage that has been elected for a Qualified Beneficiary must extend for at least the period beginning on the date of the Qualifying Event and ending not before the earliest of the following dates:

- (a) The last day of the applicable maximum coverage period.
- (b) The first day for which Timely Payment is not made to the Plan with respect to the Qualified Beneficiary.
- (c) The date upon which the Employer ceases to provide any group health plan (including a successor plan) to any employee.
- (d) The date, after the date of the election, that the Qualified Beneficiary first becomes entitled to Medicare (either part A or part B, whichever occurs earlier).
- (e) In the case of a Qualified Beneficiary entitled to a disability extension, the later of:
 - (1) (i) 29 months after the date of the Qualifying Event, or (ii) the first day of the month that is more than 30 days after the date of a final determination under Title II or XVI of the Social Security Act that the disabled Qualified Beneficiary whose disability resulted in the Qualified Beneficiary's entitlement to the disability extension is no longer disabled, whichever is earlier; or
 - (2) the end of the maximum coverage period that applies to the Qualified Beneficiary without regard to the disability extension.

The Plan can terminate for cause the coverage of a Qualified Beneficiary on the same basis that the Plan terminates for cause the coverage of similarly situated non-COBRA beneficiaries, for example, for the submission of a fraudulent claim.

In the case of an individual who is not a Qualified Beneficiary and who is receiving coverage under the Plan solely because of the individual's relationship to a Qualified Beneficiary, if the Plan's obligation to make COBRA continuation coverage available to the Qualified Beneficiary ceases, the Plan is not obligated to make coverage available to the individual who is not a Qualified Beneficiary.

11. What are the maximum coverage periods for COBRA continuation coverage?

The maximum coverage periods are based on the type of the Qualifying Event and the status of the Qualified Beneficiary, as shown below.

- (a) In the case of a Qualifying Event that is a termination of employment or reduction of hours of employment, the maximum coverage period ends 18 months after the Qualifying Event if there is not a disability extension and 29 months after the Qualifying Event if there is a disability extension.

(b) In the case of a covered Employee's enrollment in the Medicare program before experiencing a Qualifying Event that is a termination of employment or reduction of hours of employment, the maximum coverage period for Qualified Beneficiaries ends on the later of:

- (1) 36 months after the date the covered Employee becomes enrolled in the Medicare program. This extension does not apply to the covered Employee; or
- (2) 18 months (or 29 months, if there is a disability extension) after the date of the covered Employee's termination of employment or reduction of hours of employment.

(c) In the case of a Qualified Beneficiary who is a child born to or placed for adoption with a covered Employee during a period of COBRA continuation coverage, the maximum coverage period is the maximum coverage period applicable to the Qualifying Event giving rise to the period of COBRA continuation coverage during which the child was born or placed for adoption.

(d) In the case of any other Qualifying Event than that described above, the maximum coverage period ends 36 months after the Qualifying Event.

12. Under what circumstances can the maximum coverage period be expanded?

If a Qualifying Event that gives rise to an 18-month or 29-month maximum coverage period is followed, within that 18- or 29-month period, by a second Qualifying Event that gives rise to a 36-months maximum coverage period, the original period is expanded to 36 months, but only for individuals who are Qualified Beneficiaries at the time of and with respect to both Qualifying Events. In no circumstance can the COBRA maximum coverage period be expanded to more than 36 months after the date of the first Qualifying Event. The Plan Administrator must be notified of the second qualifying event within 60 days of the second qualifying event. This notice must be sent to the Plan Administrator or its designee in accordance with the procedures above.

13. How does a Qualified Beneficiary become entitled to a disability extension?

A disability extension will be granted if an individual (whether or not the covered Employee) who is a Qualified Beneficiary in connection with the Qualifying Event that is a termination or reduction of hours of a covered Employee's employment, is determined under Title II or XVI of the Social Security Act to have been disabled at any time during the first 60 days of COBRA continuation coverage. To qualify for the disability extension, the Qualified Beneficiary must also provide the Plan Administrator with notice of the disability determination on a date that is both within 60 days after the date of the determination and before the end of the original 18-month maximum coverage. This notice must be sent to the Plan Administrator or its designee in accordance with the procedures above.

14. Does the Plan require payment for COBRA continuation coverage?

For any period of COBRA continuation coverage under the Plan, Qualified Beneficiaries who elect COBRA continuation coverage may be required to pay up to 102% of the applicable premium and up to 150% of the applicable premium for any expanded period of COBRA continuation coverage covering a disabled Qualified Beneficiary due to a disability extension. Your Plan Administrator will inform you of the cost. The Plan will terminate a Qualified Beneficiary's COBRA continuation coverage as of the first day of any period for which timely payment is not made.

15. Must the Plan allow payment for COBRA continuation coverage to be made in monthly installments?

Yes. The Plan is also permitted to allow for payment at other intervals.

16. What is Timely Payment for COBRA continuation coverage?

Timely Payment means a payment made no later than 30 days after the first day of the coverage period. Payment that is made to the Plan by a later date is also considered Timely Payment if either under the terms of the Plan, covered Employees or Qualified Beneficiaries are allowed until that later date to pay for their coverage for the period or under the terms of an arrangement between the Employer and the entity that provides Plan benefits on the Employer's behalf, the Employer is allowed until that later date to pay for coverage of similarly situated non-COBRA beneficiaries for the period.

Notwithstanding the above paragraph, the Plan does not require payment for any period of COBRA continuation coverage for a Qualified Beneficiary earlier than 45 days after the date on which the election of COBRA continuation coverage is made for that Qualified Beneficiary. Payment is considered made on the date on which it is postmarked to the Plan.

If Timely Payment is made to the Plan in an amount that is not significantly less than the amount the Plan requires to be paid for a period of coverage, then the amount paid will be deemed to satisfy the Plan's requirement for the amount to be paid, unless the Plan notifies the Qualified Beneficiary of the amount of the deficiency and grants a reasonable period of time for payment of the deficiency to be made. A "reasonable period of time" is 30 days after the notice is provided. A shortfall in a Timely Payment is not significant if it is no greater than the lesser of \$50 or 10% of the required amount.

17. Must a Qualified Beneficiary be given the right to enroll in a conversion health plan at the end of the maximum coverage period for COBRA continuation coverage?

If a Qualified Beneficiary's COBRA continuation coverage under a group health plan ends as a result of the expiration of the applicable maximum coverage period, the Plan will, during the 180-day period that ends on that expiration date, provide the Qualified Beneficiary with the option of enrolling under a conversion health plan if such an option is otherwise generally available to similarly situated non-COBRA beneficiaries under the Plan. If such a conversion option is not otherwise generally available, it need not be made available to Qualified Beneficiaries.

18. How is my participation in the Health Flexible Spending Account affected?

You can elect to continue your participation in the Health Flexible Spending Account for the remainder of the Plan Year, subject to the following conditions. You may only continue to participate in the Health Flexible Spending Account if you have elected to contribute more money including any carryover amounts than you have taken out in claims. For example, if you elected to contribute an annual amount of \$500 and, at the time you terminate employment, you have contributed \$300 but only claimed \$150, you may elect to continue coverage under the Health Flexible Spending Account. If you elect to continue coverage, then you would be able to continue to receive your health reimbursements up to the \$500. However, you must continue to pay for the coverage, just as the money has been taken out of your paycheck, but on an after-tax basis. The Plan can also charge you an extra amount (as explained above for other health benefits) to provide this benefit.

IF YOU HAVE QUESTIONS

If you have questions about your COBRA continuation coverage, you should contact the Plan Administrator or its designee. For more information about your rights under ERISA, including COBRA, the Health Insurance Portability and Accountability Act (HIPAA), and other laws affecting group health plans, contact the nearest Regional or District Office of the U.S. Department of Labor's Employee Benefits Security Administration (EBSA). Addresses and phone numbers of Regional and District EBSA Offices are available through EBSA's website at www.dol.gov/ebsa.

KEEP YOUR PLAN ADMINISTRATOR INFORMED OF ADDRESS CHANGES

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

**XI
SUMMARY**

The money you earn is important to you and your family. You need it to pay your bills, enjoy recreational activities and save for the future. Our flexible benefits plan will help you keep more of the money you earn by lowering the amount of taxes you pay. The Plan is the result of our continuing efforts to find ways to help you get the most for your earnings.

If you have any questions, please contact the Administrator.

History and Organizational Agreements of the RSWA

Presented to the Board of Directors



by Bill Mawyer, Executive Director
January 24, 2023

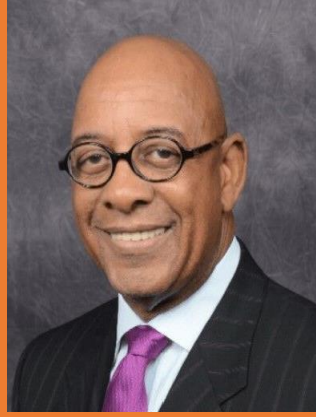
Rivanna Solid Waste Authority Board of Directors



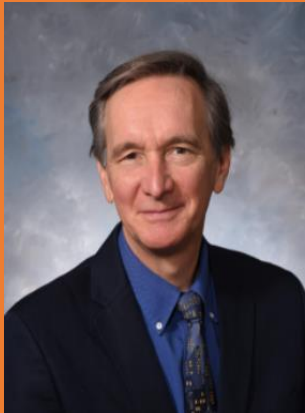
Mike Gaffney
Chair
County/City Appointee



Jeff Richardson
Vice-Chair
County Executive



Michael Rogers
Secretary-Treasurer
Interim City Manager



Jim Andrews
County Supervisor



Brian Pinkston
City Councilor

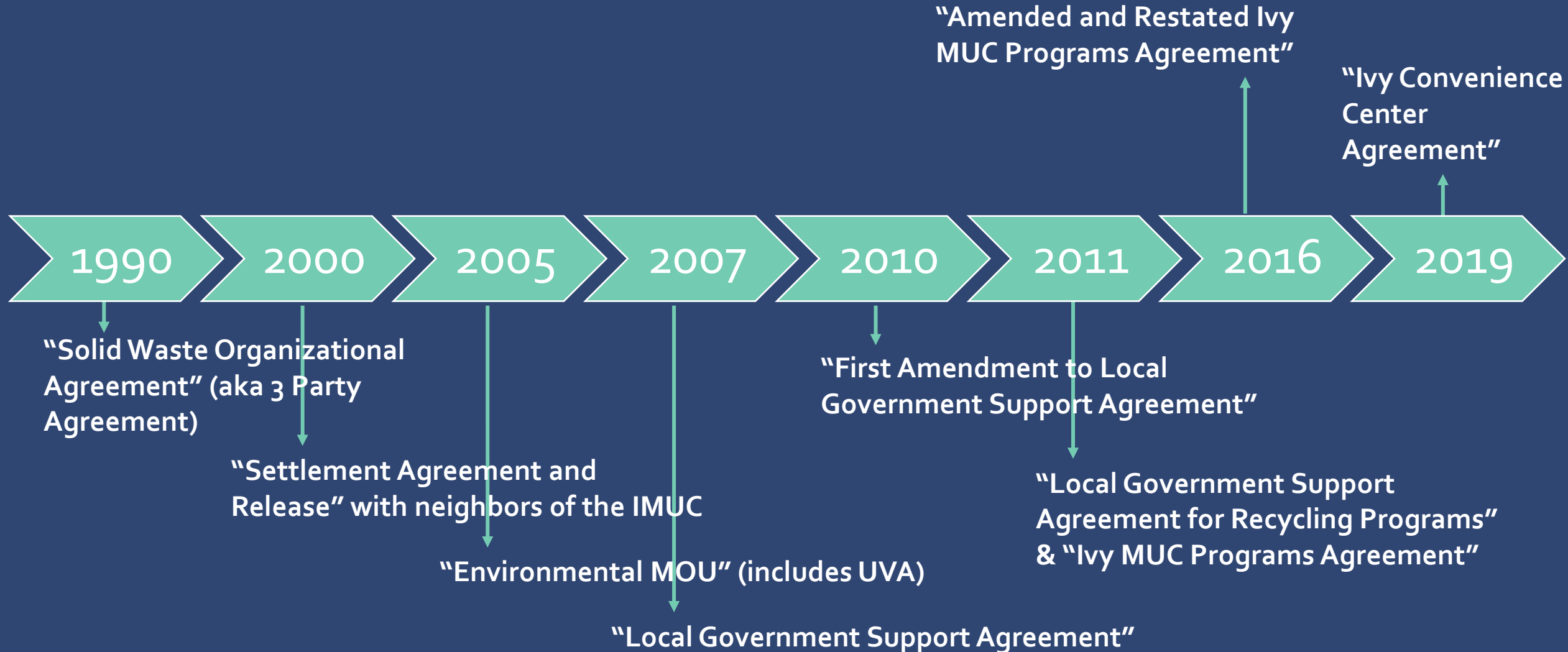


Stacey Smalls
City Director of Public Works



Lance Stewart
County Director of Facilities
and Environmental Services

History of the RSWA



Organizational Agreements

1. **“Solid Waste Organizational Agreement” (aka 3 Party Agreement: City, County and RSWA) 1990**
 - “With the ultimate goal of acquiring, financing, constructing and/or operating and maintaining a regional garbage and refuse disposal system(s).... for reduction, recycling and disposal of solid waste”
2. **“Settlement Agreement and Release”, 2000, with neighbors of the IMUC**
 - Restrictions on continuing waste disposal operations. Ended landfilling at IMUC
3. **“Environmental MOU”, 2005 (City, County and UVA)**
 - Allocated funding for monitoring and maintenance of the closed LF cells
 - \$79,982/yr by UVA thru 2035; County 64.5% / City 35.5% of balance
4. **“Local Government Support Agreement”, 2007**
 - Established City and County contributions to fund RSWA administrative and operating expenses. City may award a new residential curbside solid waste collection contract.
5. **“First Amendment to Local Government Support Agreement”, 2010**
 - City and County agreed to continue to fund RSWA administrative and operating expenses until December 31, 2010.

Organizational Agreements

6. “Local Government Support Agreement for Recycling Programs”, 2011
 - City and County agreed to fund RSWA recycling services at the McIntire Recycling Center and the Paper Sort facility: 70% County / 30% City
7. “Ivy MUC Programs Agreement”, 2011, County/RSWA
 - County to fund RSWA services at the IMUC
8. “Amended and Restated Ivy MUC Programs Agreement”, 2016, County/RSWA
 - Design and construct a new Transfer Station, demolish the existing transfer station
9. “Ivy Convenience Center Agreement”, 2019, County/RSWA
 - Design and construct a new Convenience Center

Summary

There are a number of agreements staff must manage to properly allocate charges to the City, County and UVA.

Questions?

No Action Required by the Board. For Information Only.



Ivy MUC & Transfer Station

Sustainability and Climate Action Overview

RIVANNA WATER AND SEWER AUTHORITY & RIVANNA SOLID WASTE AUTHORITY

BOARD OF DIRECTORS MEETING

BY JENNIFER WHITAKER, P.E.; DIRECTOR OF ENGINEERING & MAINTENANCE

JANUARY 24, 2023



RWSA and RSWA Mission

Sustainability and environmental protection is fundamental to:

1. Why we were formed,
2. What we do, and
3. Who we are.



- 1972 Clean Water Act
- 1974 Safe Drinking Water Act
- 1976 Resource Conservation and Recovery Act

VISION

To serve the community as a recognized leader in environmental stewardship by providing exceptional water and solid waste services

VALUES

The Rivanna Water and Sewer Authority and Rivanna Solid Waste Authority are committed to the following values:

- Integrity
- Teamwork
- Respect
- Quality

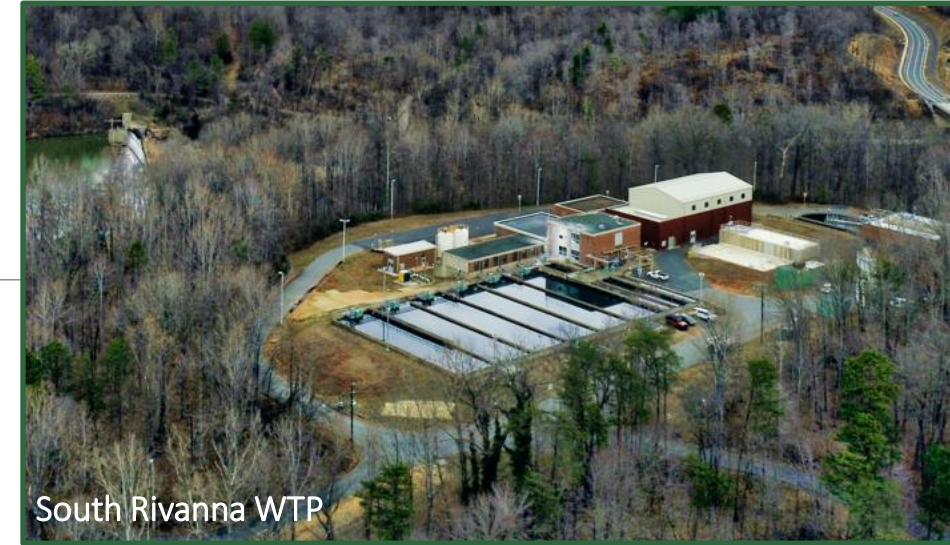
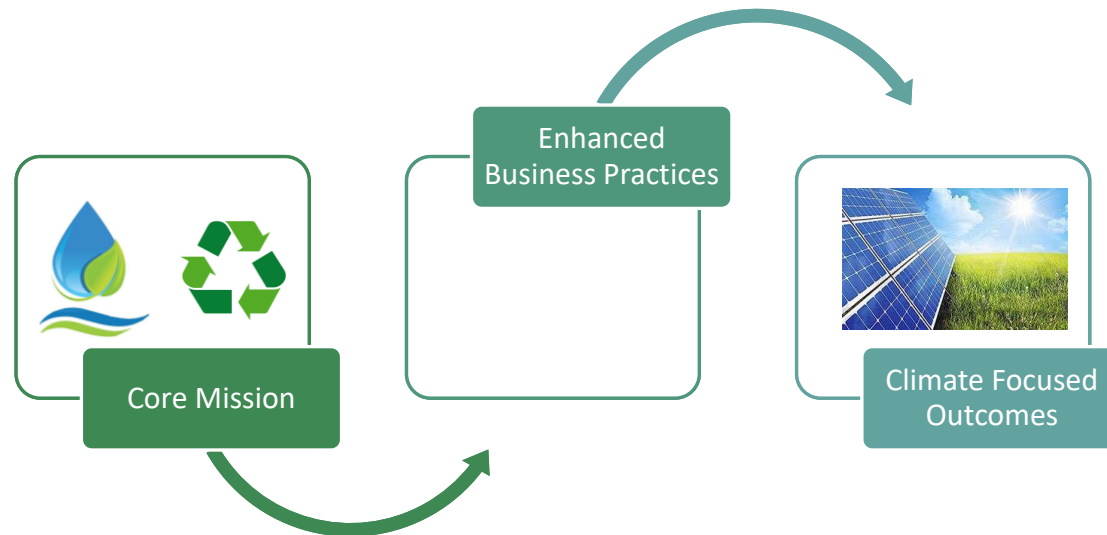
MISSION

Our knowledgeable and professional team serves the Charlottesville, Albemarle, and UVA community by providing high-quality water and wastewater treatment, refuse, and recycling services in a financially responsible and sustainable manner

RWSA and RSWA Mission

Going forward, our focus is on:

4. Adjusting how we provide services,
5. Understanding our footprint, and
6. Reducing our impacts.





Strategic Plan

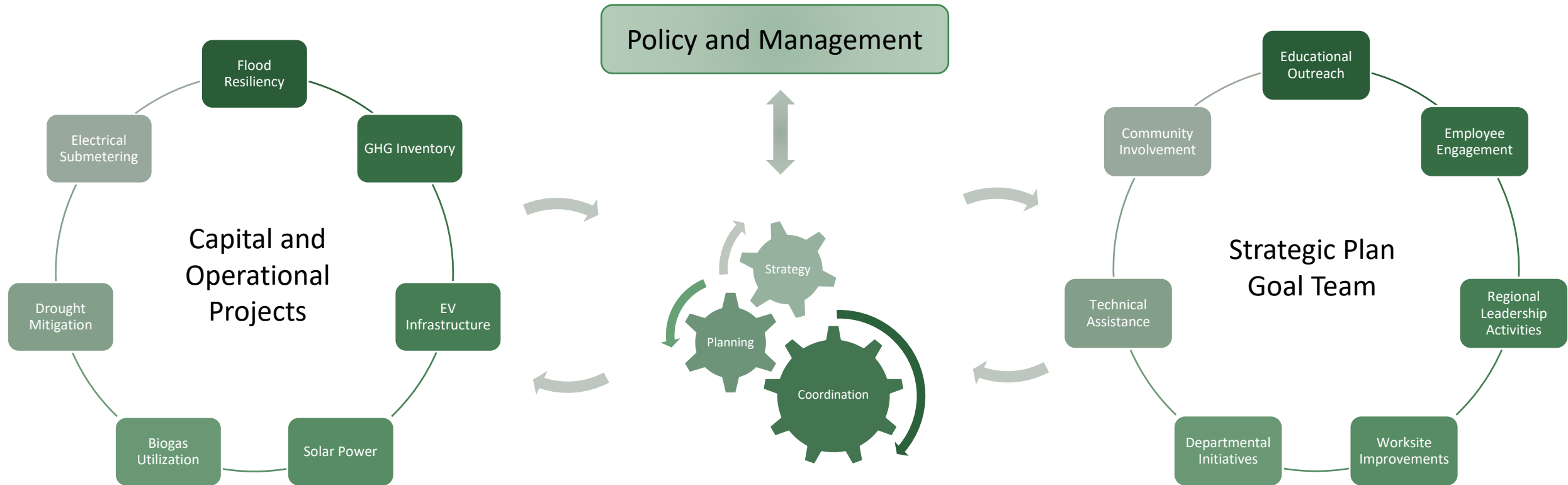
Environmental Stewardship

To demonstrate and promote best practices in sustainability, resources conservation, and environmental education

Strategies

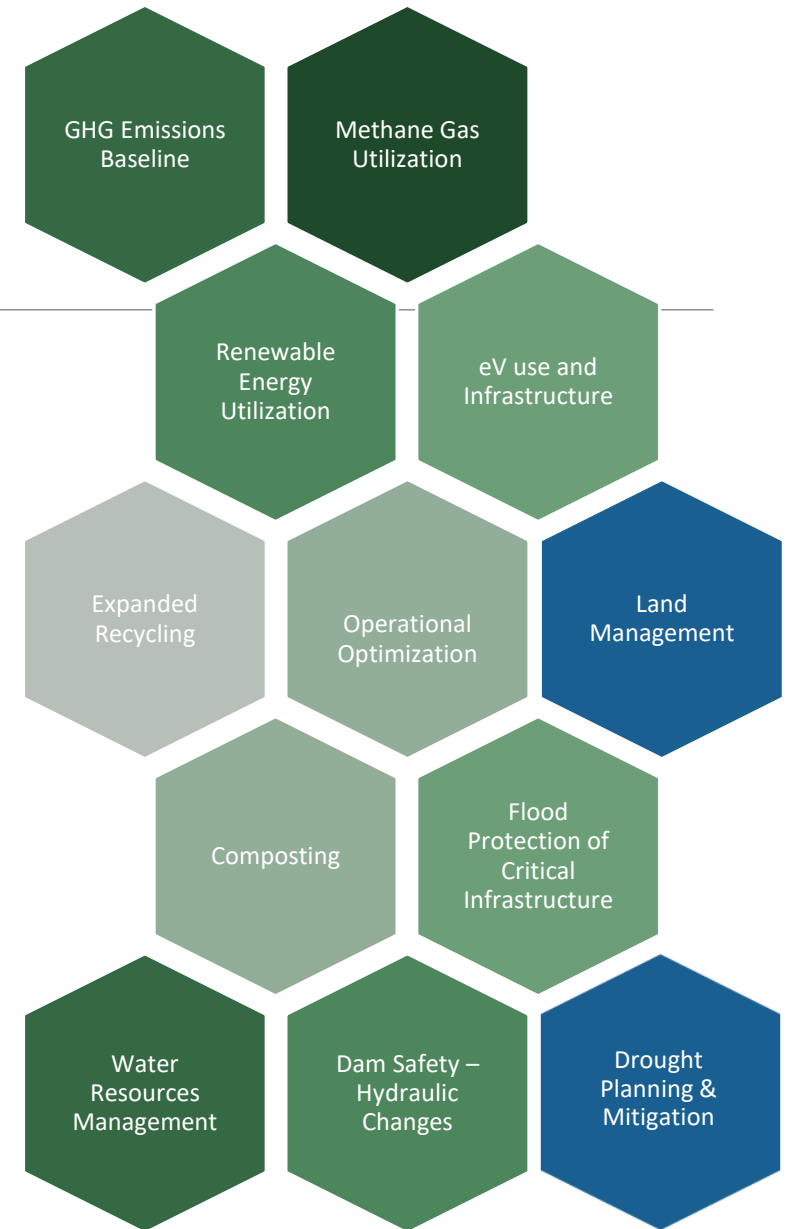
- *Strengthen and broaden involvements with regional environmental groups, task forces, and committees.*
- *Identify, Implement, and strengthen internal sustainability initiatives to address climate action goals; protect the environment and public health, and optimize resource use.*
- *Enhance and maintain business practices to ensure equitable services provision, including the same tipping fees, for all solid waste customers.*

Our Approach



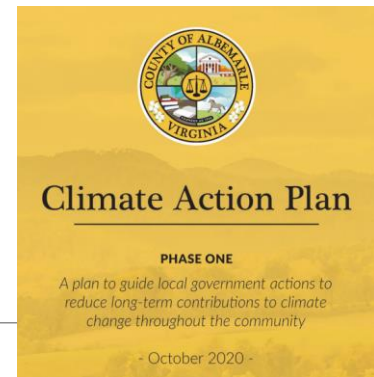
Key Program Areas

- Climate Action GHG Emissions
- Natural Resource Protection
- Climate Change Resiliency



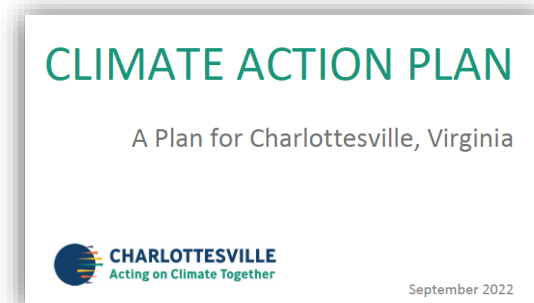
Climate Action

- Establish Baseline GHG Emissions for Major Facilities
 - Pilot Project at Moores Creek Advanced Water Resource Recovery Facility
 - Expand to all Major Facilities
 - Power submetering to be integrated into all Capital Projects
- Establish Goals and Targets
 - Integrate with City and County Goals
- Methane Gas Utilization
 - Investigating additional Cogeneration, Microturbines and Pipeline Use
- Renewable Energy Projects
 - Solar installations and EVs
- Operational Optimization
 - Chemical and electrical use reduction
 - Based on integrated finer process control
 - Regeneration of GAC media



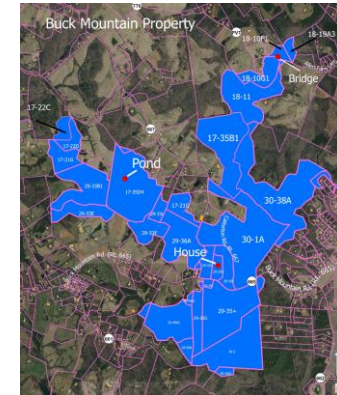
Charlottesville and Albemarle GHG Emission Targets

- 2030 – 45% Reduction
- 2060 – net zero



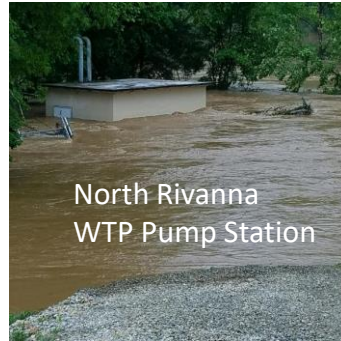
Natural Resources Protection

- Wastewater Discharge Nutrient Reduction
- Reservoir Water Quality and Instream Flow
 - Reservoir Nutrient and Algae monitoring program
 - Dynamic instream flow program
 - Future removal of North Rivanna Dam
- Land Management Practices
 - Forestry Management at Ivy MUC
 - Invasive Species Control and riparian stream protection at Buck Mountain
- Recycling & Composting
 - Construction of the Ivy and Southern Albemarle Convenience Centers
 - Regional cardboard baling and glass recycling
 - Compost : Household drop-off at Convenience Centers and UVA Dining facilities
 - E-Waste and Hazardous waste disposal



Climate Change Resiliency

- Building Flood Resilience Evaluation
 - Evaluation of all potential threats within the 100-year, 100-year+ 2 feet and 500-year flood plain
 - Construction of Building flood mitigation measures
- Capital Projects
 - Construct redundant water supply pipes at critical river crossings
- Decommissioning of the North Rivanna WTP
 - Removal of Low Head dam and return of flow to the River
- Design Policies
 - Pump Stations – install exterior bypass connections in addition to emergency power generation
- Dam Safety
 - RWSA designs for 100% Probable Maximum Flood for all High Hazard Dams (90% required)
 - Investigating National and Regional Technical Guidance for extreme precipitation events



Regional Coordination

- Rivanna Conservation Alliance – Science Advisory Committee
- Rivanna Riverfest
- Albemarle Co. Stream Health Initiative Working Group
- TJPDC – Regional Natural Hazard Mitigation Planning Group
- City of Charlottesville - Climate Action Liaison Committee
- Albemarle Co. – Solid Waste Alternatives Advisory Committee
- Albemarle Co. - Climate Risk Assessment Stakeholder
- Upper & Middle James Riparian Consortium
- Land Use & Environmental Planning Committee



Albemarle County



CHARLOTTESVILLE
Acting on Climate Together



SUSTAINABILITY · UVA



Upper & Middle James
Riparian Consortium

Questions?

