



Agenda
High Valley Transit District
Tuesday, December 10, 2024, 2 PM

NOTICE is hereby given that the Board of Trustees will meet on Tuesday, December 10, 2024 electronically, via Zoom and at the anchor location at the Sheldon Richins Building, 1885 W. Ute Blvd., Park City, UT 84098, room 133.

Public comment may also be submitted until 12 PM on Monday, December 9, 2022 via email at hi@highvalleytransit.org.

To participate electronically: <https://zoom.us/j/91681461909>

Or, to listen by phone, dial 1-301-715-8592

Meeting ID: 916 8146 1909

Passcode: 179220

This meeting may be recorded

Public Meeting

- 1) Pledge of Allegiance
- 2) Public Comment – all comments will be limited to three minutes per person

Work Session

- 3) Ridership and Performance
- 4) Update on the SR-224 Bus Rapid Transit project

Consideration of Approval

- 5) Public hearing and possible approval of High Valley Transit's 2024 Amended Budget
- 6) Public hearing and possible adoption of Resolution 2024-03, a Resolution Adopting High Valley Transit's 2025 Budgets

- 7) Discussion and possible authorization for Board Chair Kim Carson or Board Vice Chair David Geffen to execute a three-year contract for employment between High Valley Transit and Caroline Rodriguez
- 8) Discussion and possible ratification of the Employer Health Insurance Agreement between High Valley Transit and Utah Retirement Systems Public Employees Health Program
- 9) Board comments
- 10) Staff comments

Members of the Board, presenters, and members of the public may attend and fully participate by electronic means, using Zoom (phone or video).

Non-Discrimination Notice The High Valley Transit District's policy is that no person, regardless of race, color, or national origin shall be excluded from participation in, be denied the benefits of, or be subject to any discrimination under any program, activity, or services under Section 601 of Title VI of the Civil Rights Act, as amended. To view a copy of our Title VI Policy and Complaint Procedure, please contact us at (435) 246-1538.

If you require this or any information in an alternative format, please contact us at (435) 246-1538.



STAFF REPORT

Date: 12/10/2024
 To: High Valley Transit District Board of Trustees
 From: Ian Hooper, Data & Performance Analyst
 Subject: Ridership & Performance Update

Requested Board Action.

None, this is an informational document for board use.

Micro

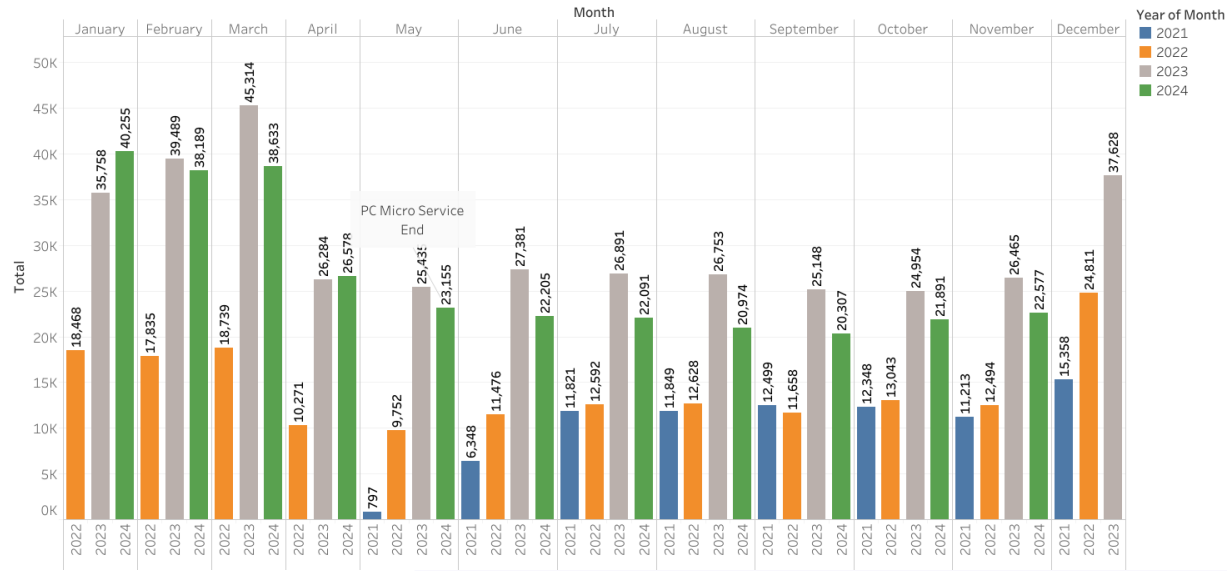
Through November 2024, Micro served **22,577 passengers**, compared to 21,891 in October. Utilization held an average of **3.2 passengers/driver hour**, compared to 3.4 last month. The seat unavailable rate was 6.6%. The average ETA was **19.4 minutes**, compared to 18.5 minutes in October.

Category	Metrics	October	November
Overall	Total Passengers	21,891	22,577
	Met Demand Rate	93.4%	93.4%
	Net Driver Hours	6,457	7,017
	Avg. Utilization (#riders/driver hr.)	3.4	3.2
	Avg. Aggregation	54.2%	53.0%
Rider Experience	Avg. Seat Unavailable Rate	6.6%	6.6%
	Avg. Ride Distance	3.7 miles	3.6 miles
	Avg. Pickup Walk Distance	52.6 meters	52.2 meters
	Average ETA	18.5 minutes	19.4 minutes
	Average Ride Rating (/5)	4.8	4.8
	Active Riders	2,255	2,350

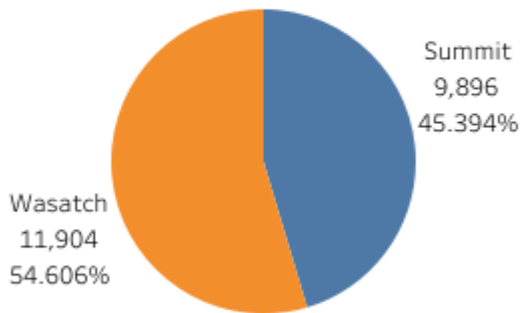
Rider Engagement	Avg. Rides/Active Rider	9.7	9.6
	New Riders	333	381

The graph below shows a comparison of Micro passenger counts through all years of service as of November 30th.

All Micro Zones, by Month



Zone Pie Chart



This pie chart shows a comparison in ridership between each zone.

Fixed Route

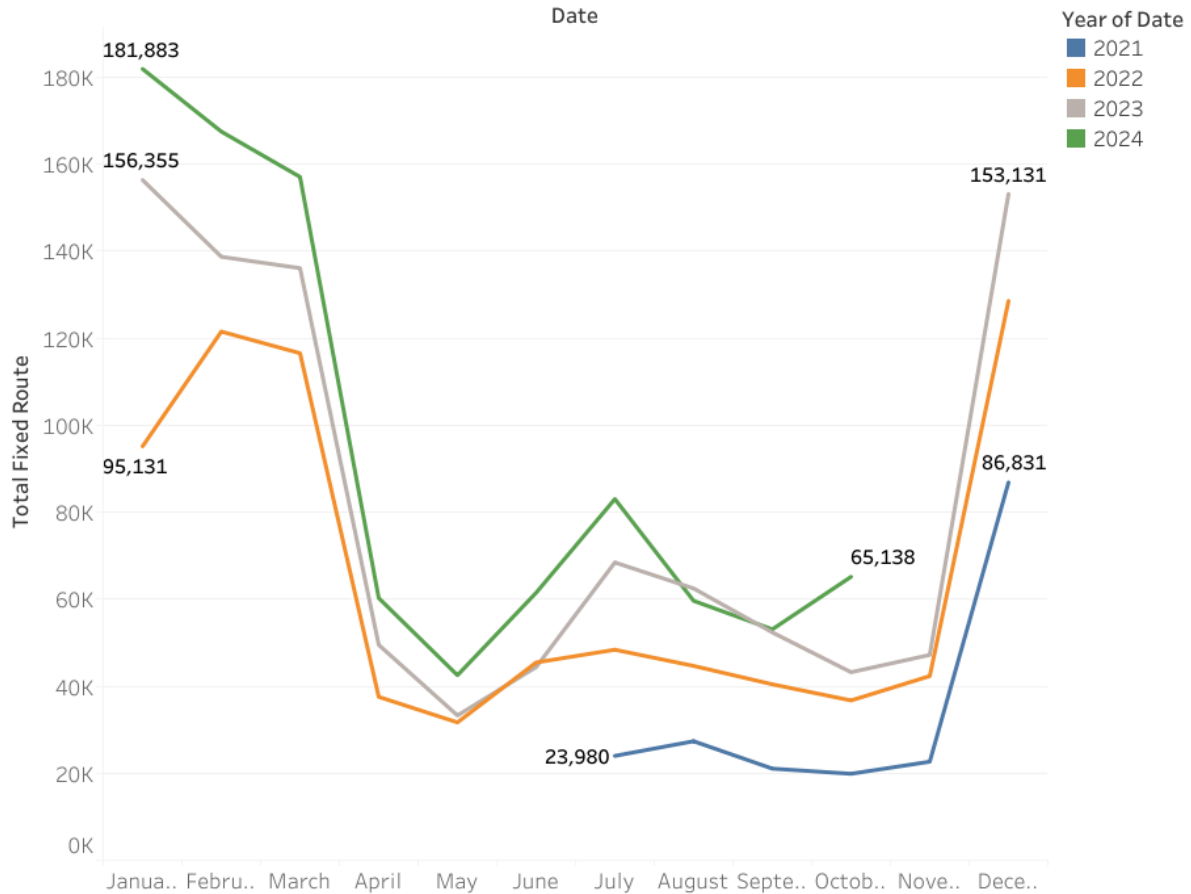
The following table lists the passenger count for each of our fixed route lines. Passenger totals for September, October, and all of 2024 are detailed below.

Route	October	November	YTD Ridership
101 Spiro	20,075	21,592	549,858
102 Gateway	1,254	1,165	16,340
103 Kimball Junction	2,612	2,731	46,399
104 Bitner	9,734	8,813	112,800
105 Canyons Village	3,803	4,172	67,408
106 Wasatch	3,670	3,528	47,546
107 Connect	4,155	4,711	49,457
108 Silver Creek Village	5,234	4,787	15,666
10X	14,601	-	71,697*
Total	65,138	51,499*	977,171*

**Due to software issues and delays, 10X counts have yet to be gathered.*

The following graph shows a yearly comparison of passenger count for all fixed routes, since the inception of HVT.

Total Fixed Route Growth Comparison

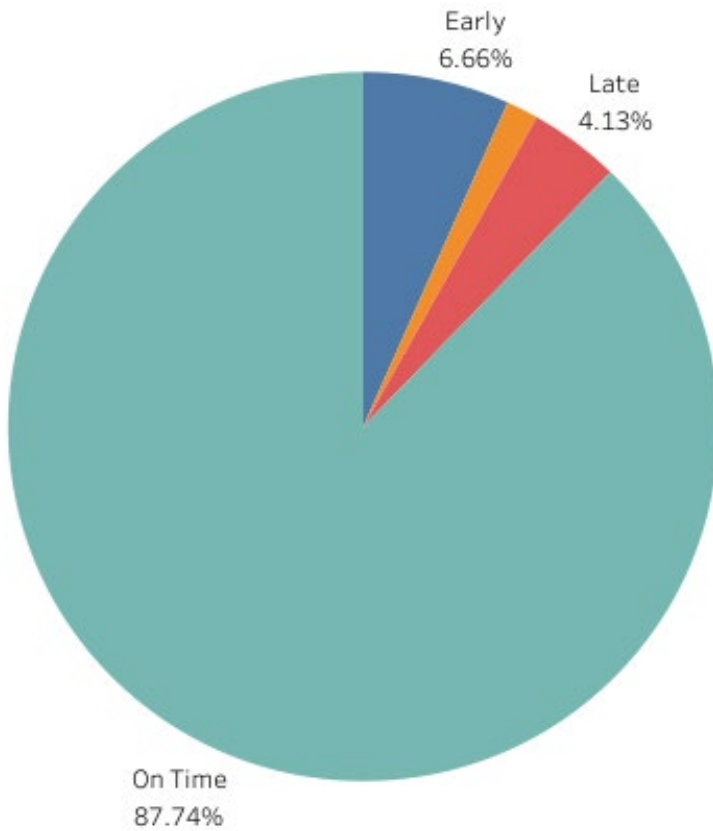


On-Time Performance (OTP)

The chart below shows On-Time Performance for HVT’s fixed route service.

On-Time Performance has been adjusted by our operations team to measure the difference between actual and expected *arrival* times. OTP is still classified as Late whenever a line is delayed >5 minutes past expected arrival, or Extremely Late when a line is delayed >10 minutes.

New OTP tracking software has been installed in our fixed route services, reflected below.



Customer Service

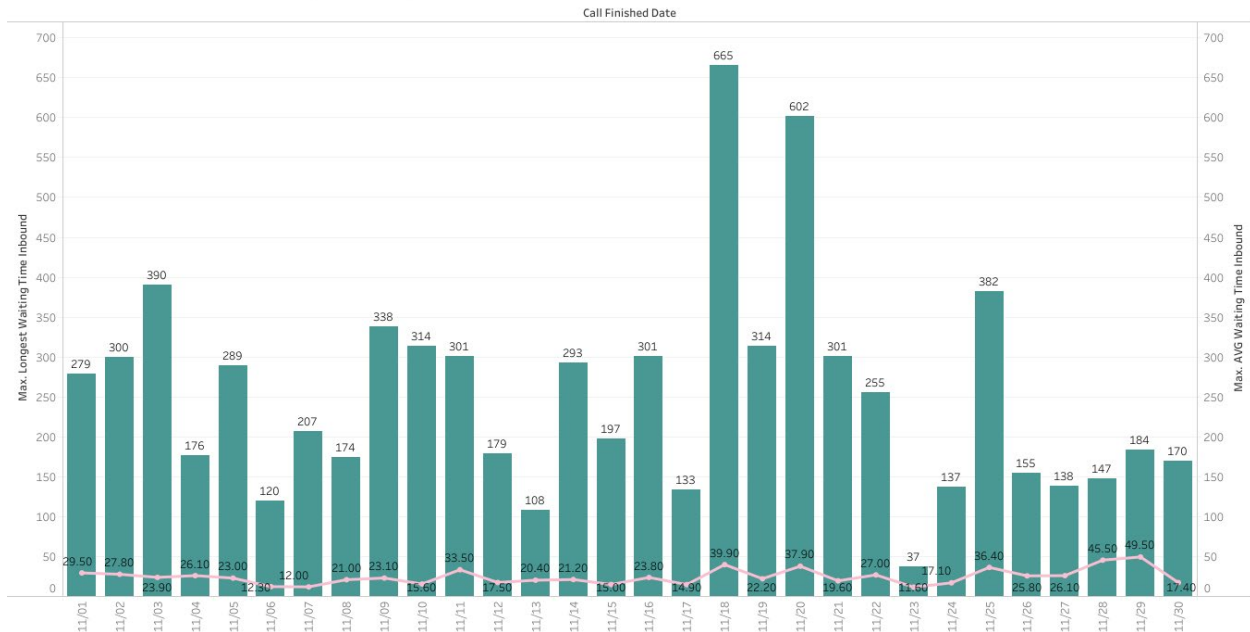
Call Wait Times

Each week, we receive a weekly report regarding calls to the main HVT line, (435) 246-1538, which is the number displayed on the app and website. The chart below shows a breakdown of all calls in November. The main line is inclusive of all other services as well as inbound calls from drivers and all Spanish calls.

In November, we received 2,873 total inbound calls. 118 of these calls were missed, for an average of 4.1 missed calls per day. Our average wait time was 25 seconds. The Paratransit Service Order¹ sets a goal of 1 minute or less for the average waiting time, which was met this month. Below is a graph showing daily maximum and average wait times.

¹ The TAAS Service Order for ADA Complementary Paratransit is available at <https://highvalleytransit.org/wp-content/uploads/2021/05/2021-05-27-Amended-Agenda-and-staff-reports.pdf>; the performance standards referenced are on page 54 of the Staff Report.

Longest vs. Average Waiting Time (in seconds)



Rider Feedback

Riders and residents can provide feedback to HVT in a variety of ways. The feedback listed below is not exhaustive of all feedback received through all channels; only feedback recorded in a reporting sheet is presented. Ideally, we would capture all feedback, but currently feedback channels differ in their percentage of feedback logged. For clarity, possible feedback channels and how they result in tracked feedback are listed below.

Structured Feedback Channels

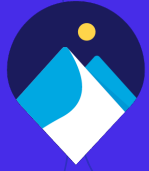
- Calling the main line (435) 246-1538 or Valley Ride line (435) 710-4009
- Emailing hi@highvalleytransit.org
- Filling out the feedback form at highvalleytransit.org/feedback

Unstructured Feedback Channels

- Emailing Caroline, members of the HVT Board of Trustees, or other HVT staff's work email(s)
- Verbal feedback to a driver or driver partner
- Feedback given at Board meetings or individually to staff/Board.
- Feedback posted on public Facebook groups or other social media channels.

This month, we received 5 comments. Details on these responses are below:

11/7/24	12:16 PM	Ian	Website	I got on the 101 toward Kimball Junction at 11:30 a.m. on Thursday November 7th at Park City Mountain, the bus number was 9029. She shut the door on my 81-year-old husband. She proceeded to drive in a way I have not seen other drivers do. She was speeding, tailgating, changing lanes unnecessarily, and breaking very hard so that our necks were sore by the time we got out at the Kimball Junction Transit Center.	Pay attention, drive safely	Complaint
11/8/24	8:27 PM	Ian	Website	It pick up from. Salt lake City Central station and university of hospital Utah or just from park city Utah high valley bus	Nothing at all I never rode them everything is good for now	Question
11/17/24	11:07 AM	Ian	Website	I just called an agent to find out park city to Heber and he said 3:00. Website says 4:00. Plus you don't pick up at smith's in Heber. You should say jiffy lube and there is no bus stop marker.	Correct your site. Have bus stop markers.	Complaint
11/19/24	4:11 PM	Ian	Website	Terrible I waited 30 minutes for a ride. I called for a ride at 3:18 pm and my ride never came. A rider by the name angel didn't even bother to call me. This app sucks and it's terrible you can't rely on being early or even on time. I hate this app	No comment	Complaint
11/28/24	1-42 AM	Ian	Website	Wonderful time on the Bus driver was very thorough explaining himself for us to find places to go to	Maybe one or two more buses coming that way from outing Park Place to Utah no it's	Compliment



High Valley
TRANSIT

High Valley Transit

Analytics Report November 2024

Today's agenda

3. **Microtransit**
 4. Overview of all zones
 5. Summit County
 6. Wasatch County
 7. Uplift!
 8. Year-over-year comparison
9. **Fixed Route**
 10. Overview of all routes, year-over-year
 11. 101
 12. 102
 13. 103
 14. 104
 15. 105
 16. 106
 17. 107
 18. 108
 19. 10X
 20. On Time Performance (OTP)
21. **Customer Service**
 22. Call Wait Times
 23. Rider Feedback Log

Micro



High Valley Transit

Micro Reporting, All Zones - November 2024

919,971 Rides Since Inception

296,855 Rides in 2024

141,271 Total App Accounts

Rider Experience

Ride Rating (out of 5)

Average: **4.8** | Past month: **4.8** | MoM Change: 0

Ride Distance

3.6 miles | Past month: **3.7 miles** | MoM : -0.1

Pickup Walk Distance

52.2 meters | Past month: **52.6 meters** | MoM : -0.4

Time from request to scheduled pickup (ETP¹)

19.4 minutes | Past month: **18.5 minutes** | MoM : +0.9

Overview

22,577 Passengers (avg. 753/day)

Last month: 21,891

333 New Riders

Last month: 333

3.2 Utilization Avg.

Last month: 3.4

53.0% Aggregation²

Last month: 54.2%

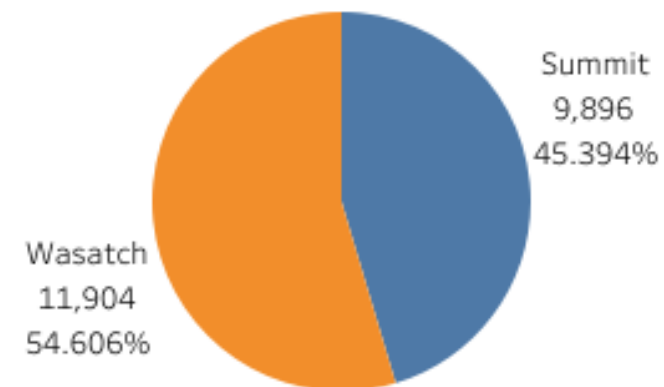
93.4% Met Demand³

Last month: 93.4%

7,017 Net Driver Hours

Last month: 6,457

Rides by Zone



Week-by-Week KPI's, November

Date	Riders	Driver Hours	Seat Unavailable	Accepted Proposal	Aggregation	Avg. ETP	ETP > 15 min	ETP > 20 min
11/1-11/7	4,973	1,474	7.2%	83.7%	54.3%	18.7	52%	39%
11/8-11/14	5,000	1,537	7.2%	85.2%	54.0%	17.4	48%	35%
11/15-11/21	5,706	1,681	4.9%	86.4%	54.0%	15.9	45%	31%
11/22-11/28	5,119	1,794	7.0%	85.6%	50.5%	13.6	35%	23%
11/29-12/5	6,349	1,878	8.6%	85.0%	55.5%	11.5	27%	15%

(1) ETP = Estimated time to pickup. (2) Aggregation = % of shared rides. (3) Met Demand = % of valid ride requests provided a proposal; a rate of 100 percent indicates 0 percent seat unavailable rate.



High Valley Transit

Micro Reporting, Summit Zone - November 2024

549,265 Rides Since Inception

280,233 Rides in 2024

Rider Experience

Ride Rating (out of 5)
Average: **4.8** | Past month: **4.8** | MoM Change: 0

Ride Distance
4.4 miles | Past month: **4.6 miles** | MoM : -0.2

Pickup Walk Distance
65.4 meters | Past month: **66.0 meters** | MoM: -0.6

Time from request to scheduled pickup (ETP¹)
12.4 minutes | Past month: **14.8 minutes** | MoM: +2.4

Overview

9,896 Passengers (avg. 330/day)
Last month: 8,975

2.5 Utilization Avg.
Last month: 2.7

47.3% Aggregation²
Last month: 47.0%

94.8% Met Demand³
Last month: 94.8%

3,701 Net Driver Hours
Last month: 3,233

Week-by-Week KPI's, November

Date	Riders	Driver Hours	Seat Unavailable	Accepted Proposal	Aggregation	Avg. ETP	ETP > 15 min	ETP > 20 min
11/1-11/7	2,154	784	4.9%	85.4%	47.2%	14.6	42%	26%
11/8-11/14	2,197	782	5.1%	86.9%	49.9%	13.0	34%	20%
11/15-11/21	2,423	850	3.9%	88.2%	48.9%	13.0	35%	21%
11/22-11/28	2,296	990	6.0%	87.4%	42.6%	10.3	23%	12%
11/29-12/5	3,075	1,120	7.7%	86.5%	51.7%	9.7	19%	9%

(1) ETP = Estimated time to pickup. (2) Aggregation = % of shared rides. (3) Met Demand = % of valid ride requests provided a proposal; a rate of 100 percent indicates 0 percent seat unavailable rate.



High Valley Transit

Micro Reporting, Wasatch Zone - November 2024

213,325 Rides Since Inception

105,568 Rides in 2024

Rider Experience

Ride Rating (out of 5)
Average: **4.8** | Past month: **4.8** | MoM Change: 0

Ride Distance
2.6 miles | Past month: **2.9 miles** | MoM: -0.2

Pickup Walk Distance
42.2 meters | Past month: **43.2 meters** | MoM: -1.0

Time from request to scheduled pickup (ETP¹)
19.1 minutes | Past month: **21.4 minutes** | MoM: -2.3

Overview

11,904 Passengers (avg. 397/day)

Last month: 12,100

4.3 Utilization Avg.

Last month: 4.3

59.2% Aggregation²

Last month: 60.7%

94.9% Met Demand³

Last month: 94.5%

2,757 Net Driver Hours

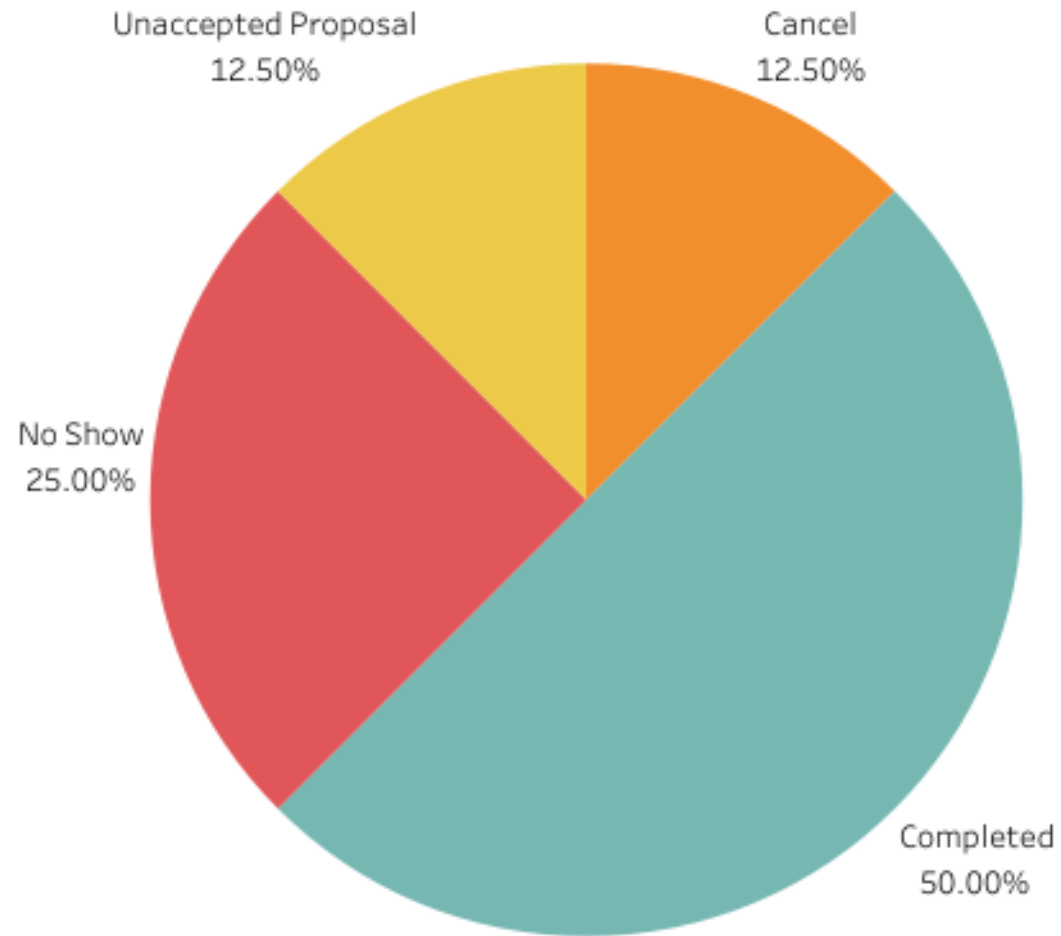
Last month: 2,816

Week-by-Week KPI's, November

Date	Riders	Driver Hours	Seat Unavailable	Accepted Proposal	Aggregation	Avg. ETP	ETP > 15 min	ETP > 20 min
11/1-11/7	2,662	622	6.4%	82.8%	61.3%	22.1	60%	51%
11/8-11/14	2,620	616	7.0%	84.6%	58.6%	21.4	60%	48%
11/15-11/21	3,074	673	3.0%	86.2%	59.8%	18.3	52%	39%
11/22-11/28	2,652	659	4.5%	86.7%	58.8%	16.4	46%	33%
11/29-12/5	3,062	646	5.9%	86.0%	59.8%	13.2	35%	20%

(1) ETP = Estimated time to pickup. (2) Aggregation = % of shared rides. (3) Met Demand = % of valid ride requests provided a proposal; a rate of 100 percent indicates 0 percent seat unavailable rate.

Uplift! Ridership



This chart shows request status for Uplift!

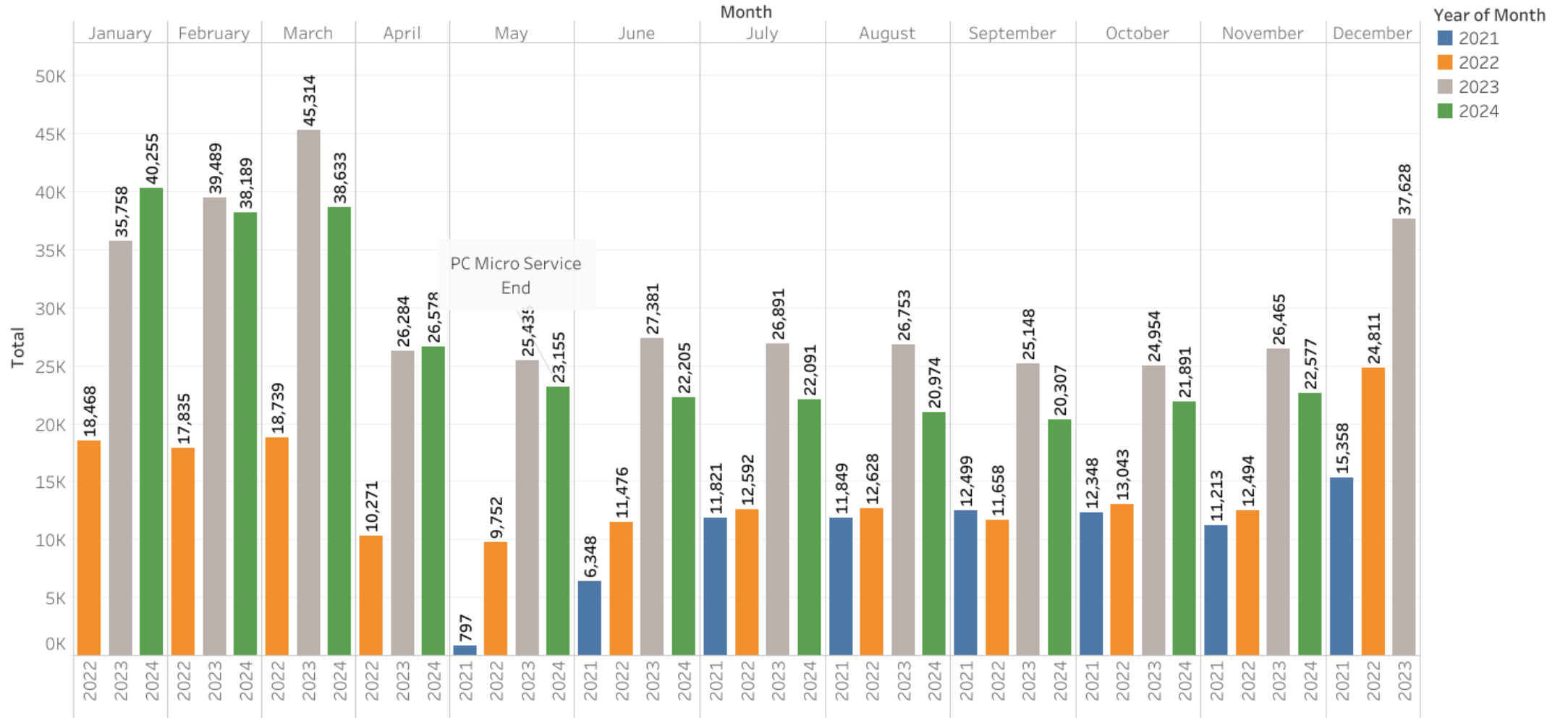
Booked status reflect future scheduled rides, Unaccepted Proposal and Cancel status show which rides were declined, and No-Show status reflects rides where the passenger didn't meet the driver after 5 minutes.

A total of 8 Uplift! Rides were requested in November, with 4 of those rides being completed.

Occasionally, riders may make multiple requests for the same ride, resulting in erroneously counted Canceled/No-Show flags.

YoY Comparison

All Micro Zones, by Month

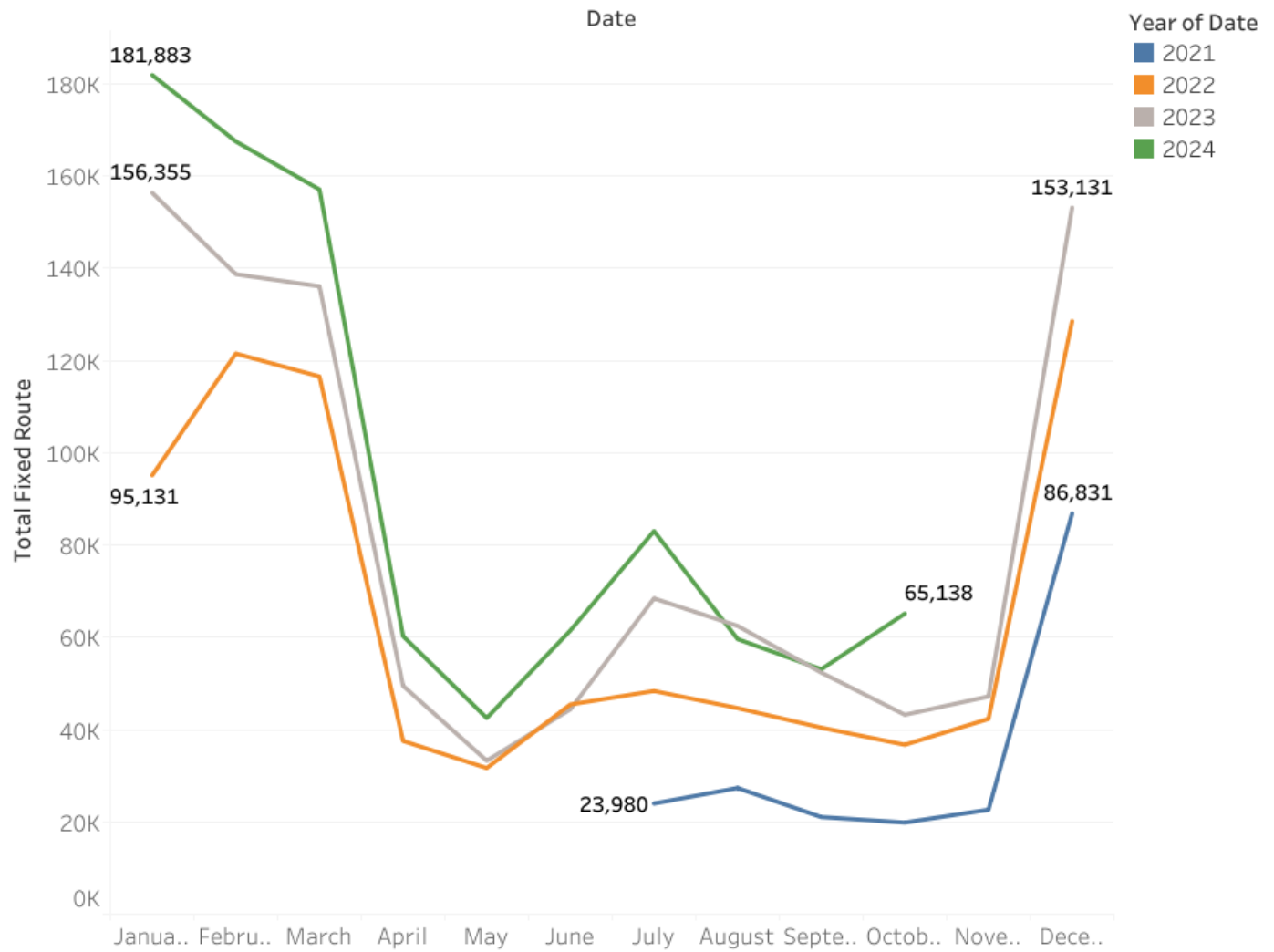


8 This graph shows a yearly comparison of micro ridership, broken down by year.

Fixed Route

YoY Comparison

Total Fixed Route Growth Comparison



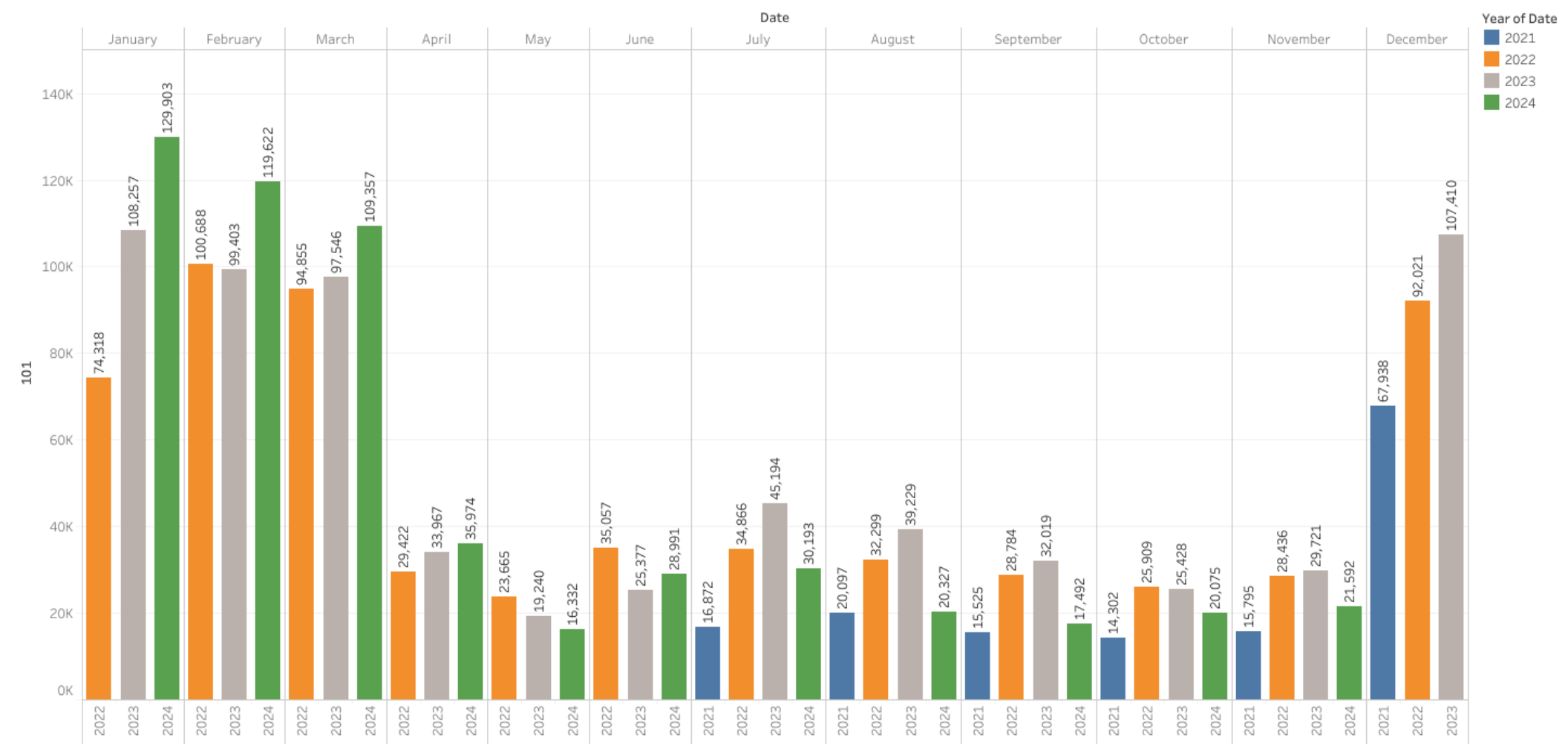
Total Ridership since Inception: 2,984,987
Total Ridership for 2024: 1,009,362

10 This graph shows total ridership by month, for each year since HVT inception. For 2024, we have experienced our highest rates of ridership.



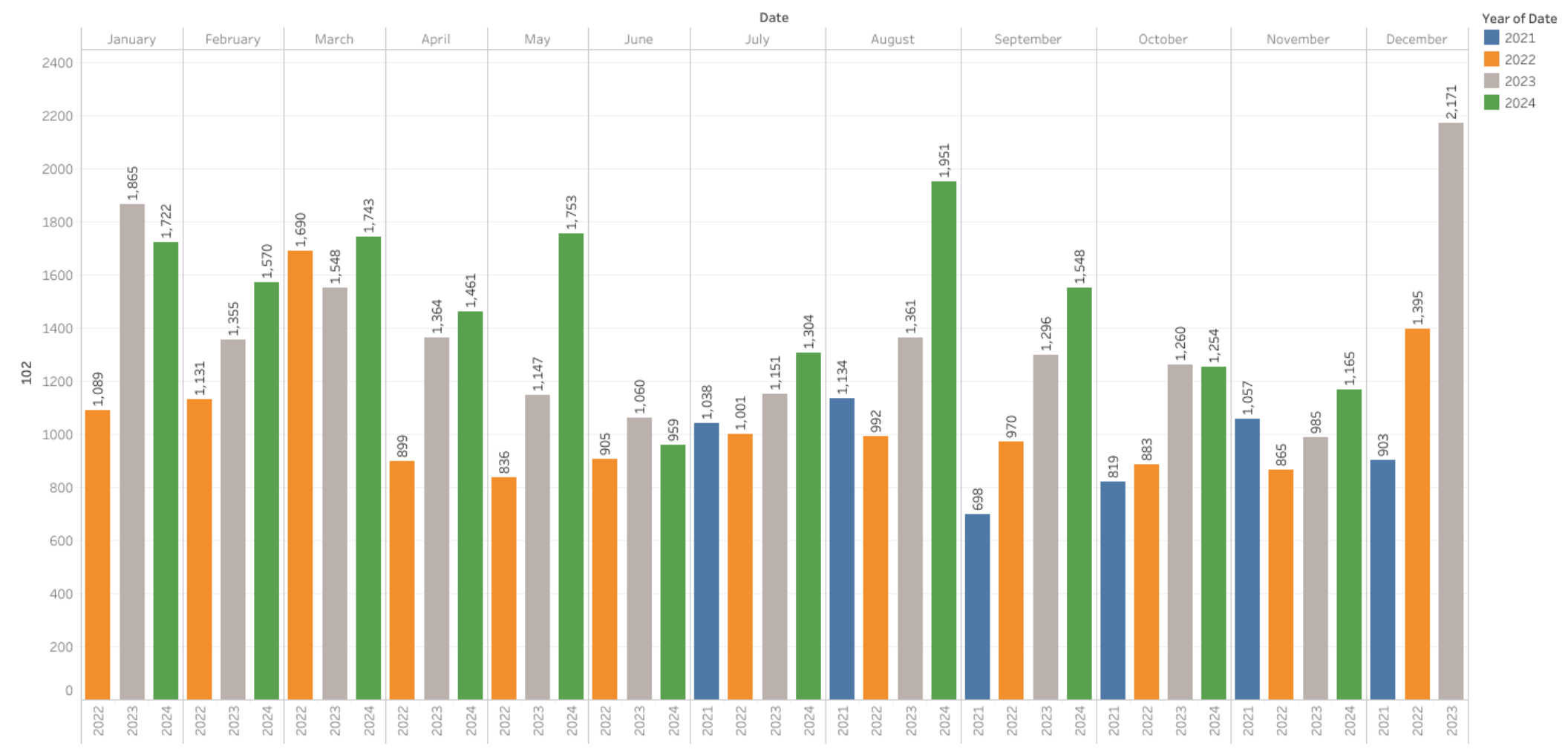
101 Spiro

101 Spiro Year-Over-Year Ridership



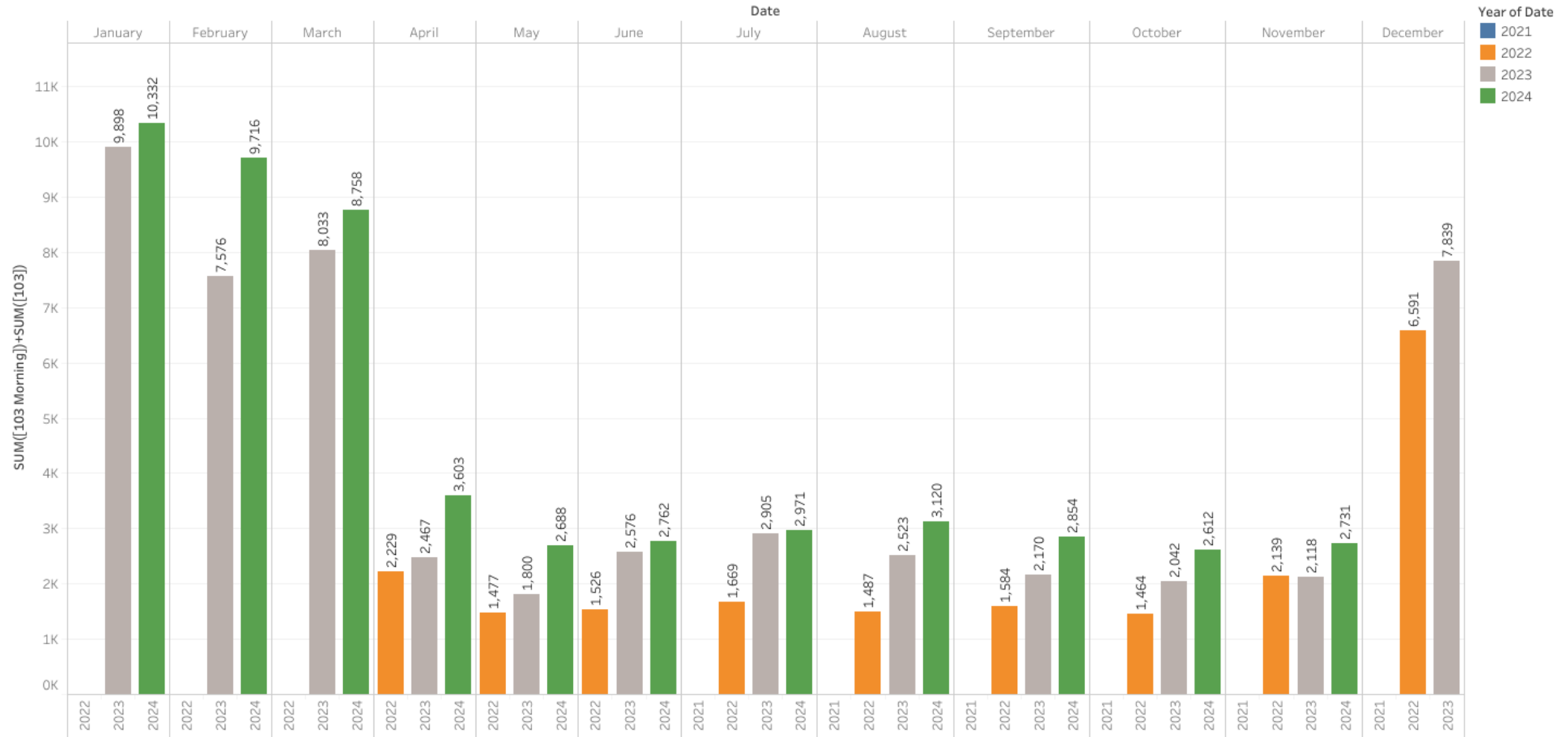
102 Kamas Gateway

102 Kamas Gateway Year-Over-Year Ridership



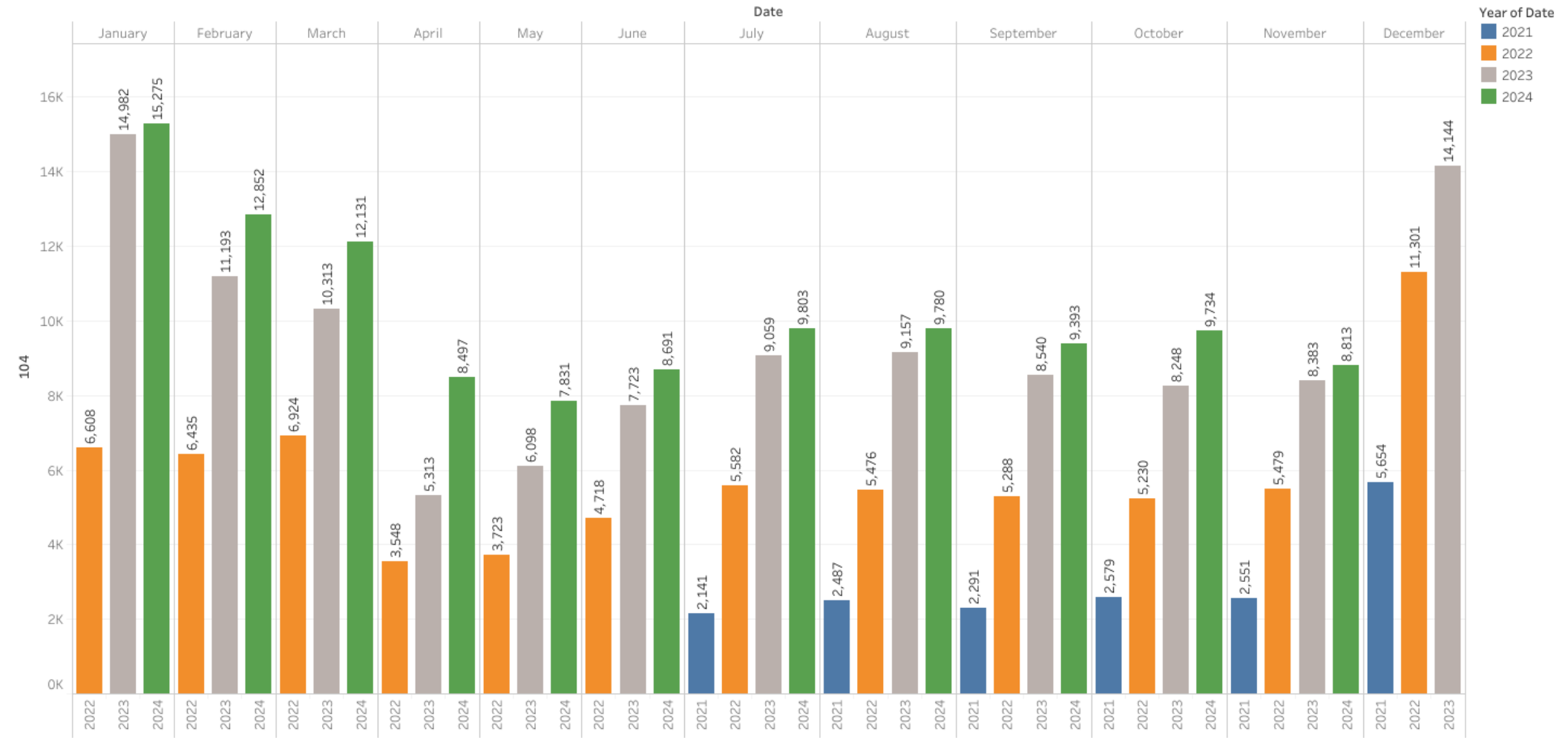
103 Kimball Junction Circulator

103 Kimball Junction Circulator Year-Over-Year Ridership



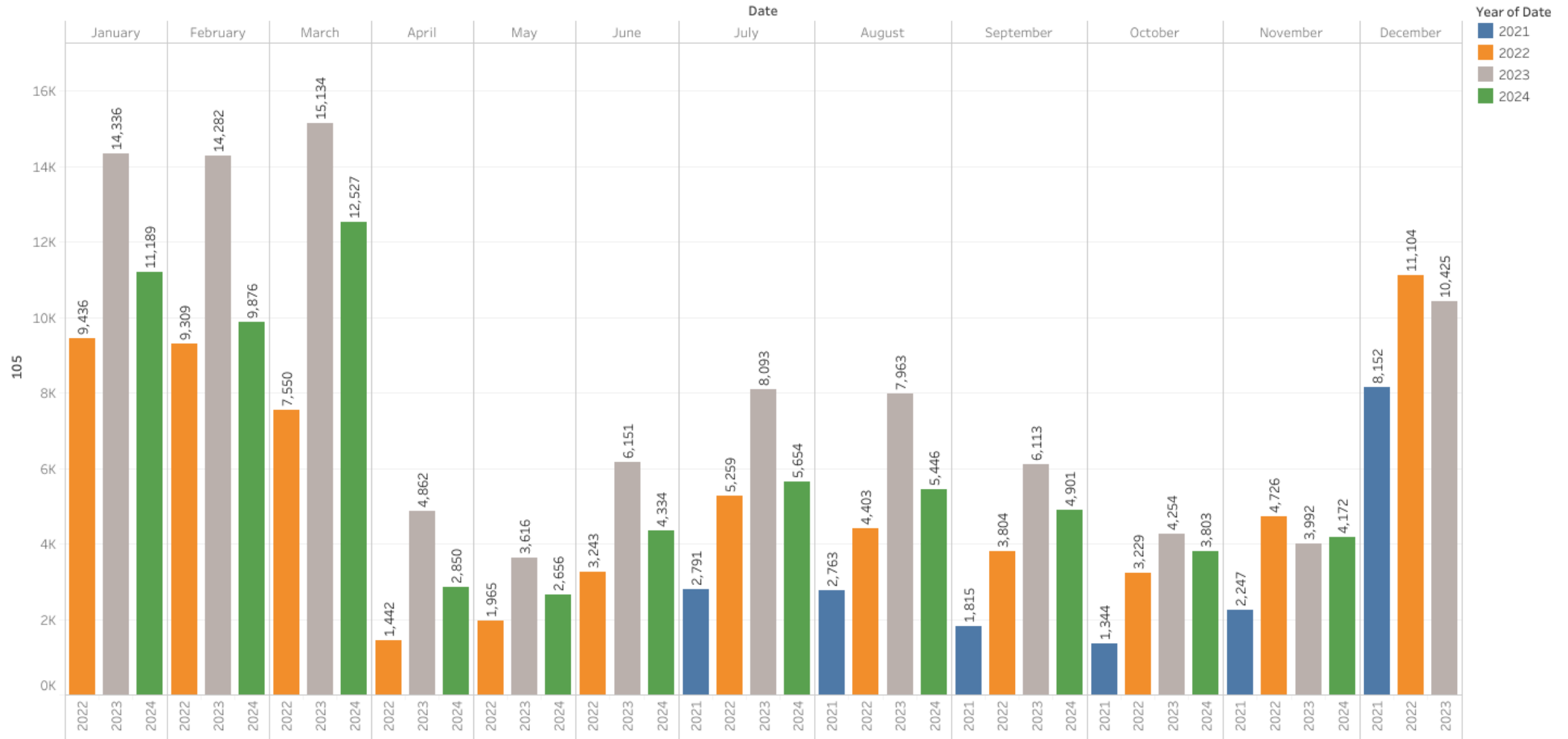
104 Bitner Shuttle

104 Bitner Shuttle Year-Over-Year Ridership



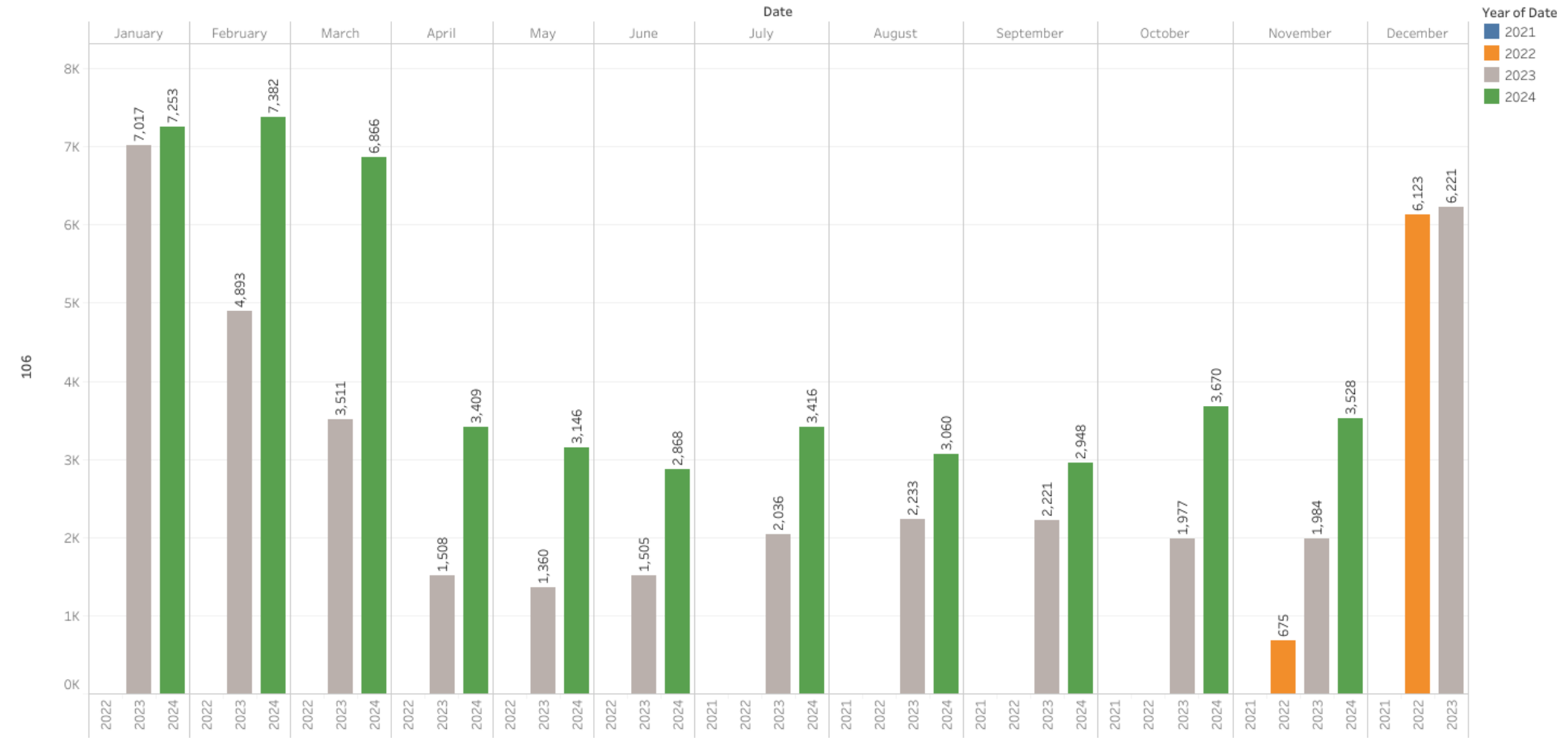
105 Canyons Village Shuttle

105 Canyons Year-Over-Year Ridership



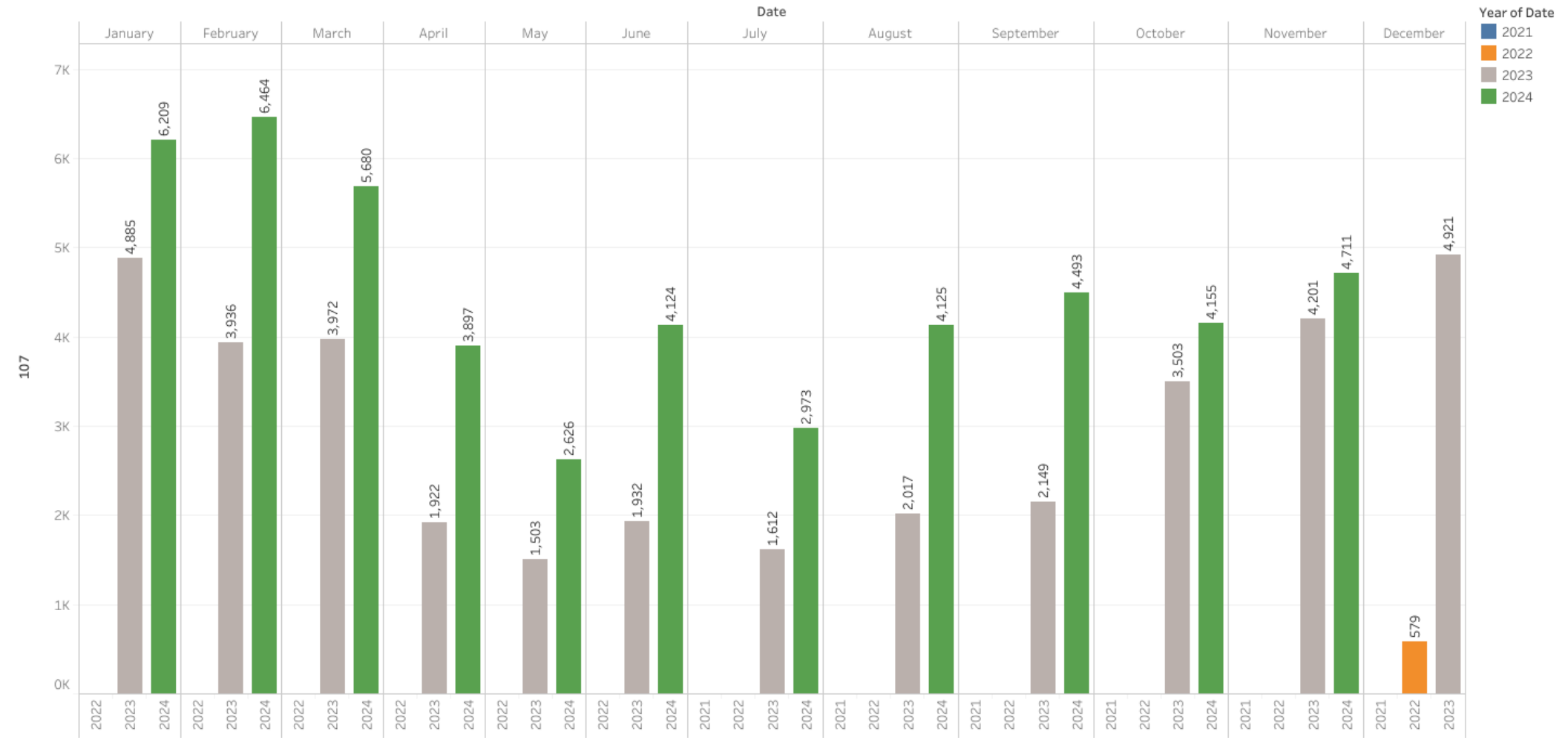
106 Wasatch Back Connector

106 Wasatch Connect Year-Over-Year Ridership



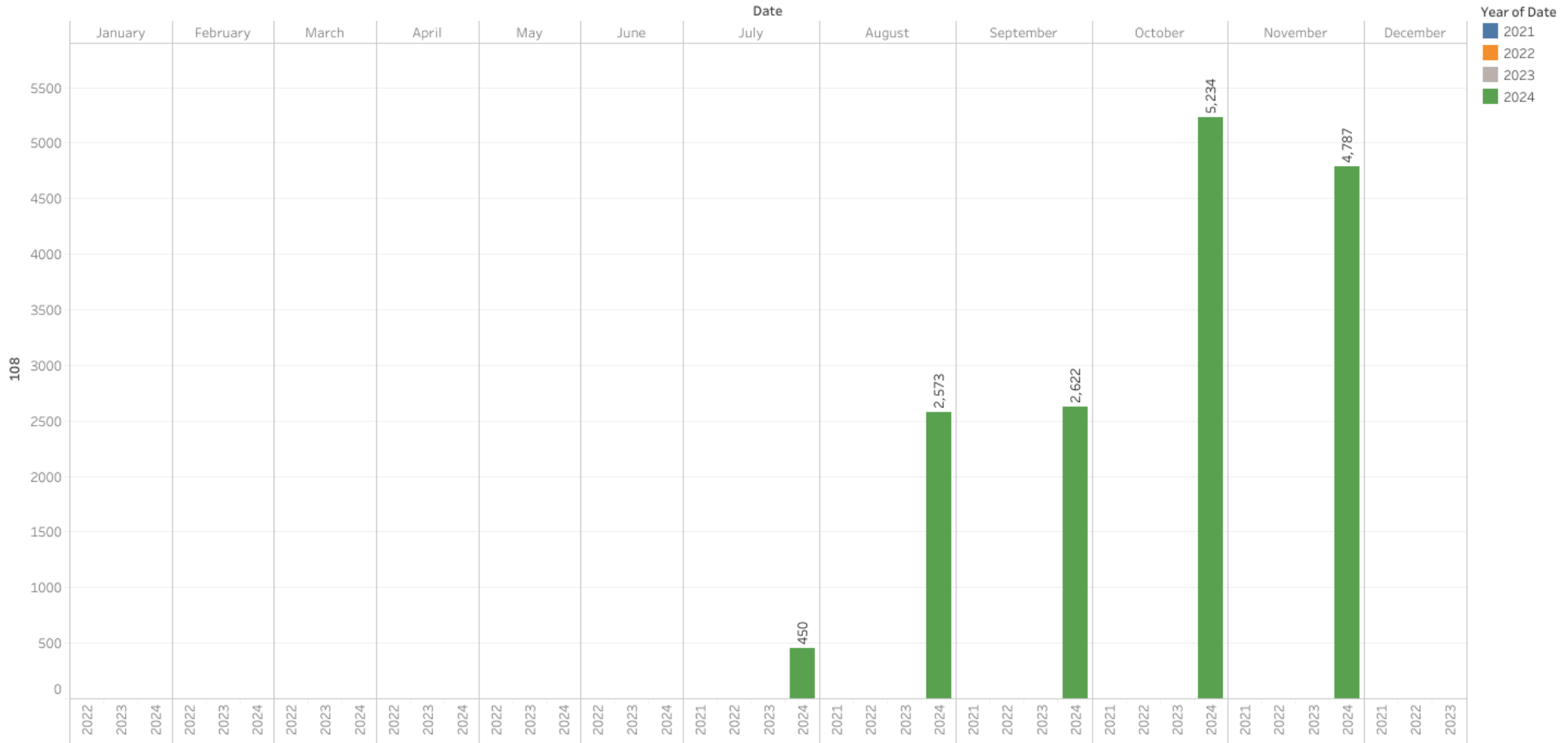
107 PC/SLC Commuter

107 PC-SLC Connect Year-Over-Year Ridership



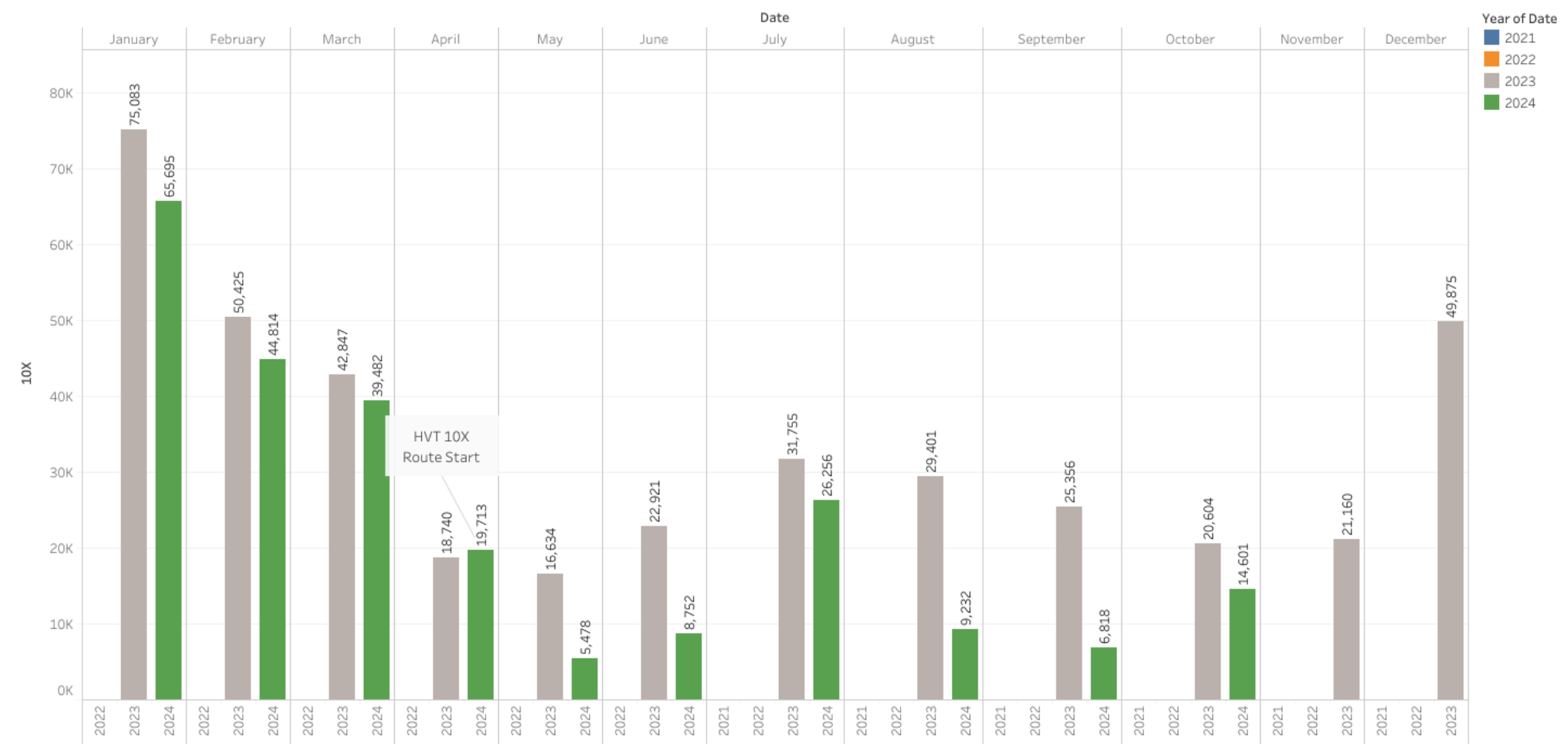
108 Silver Creek Village

108 Silver Creek Village Year-Over-Year Ridership

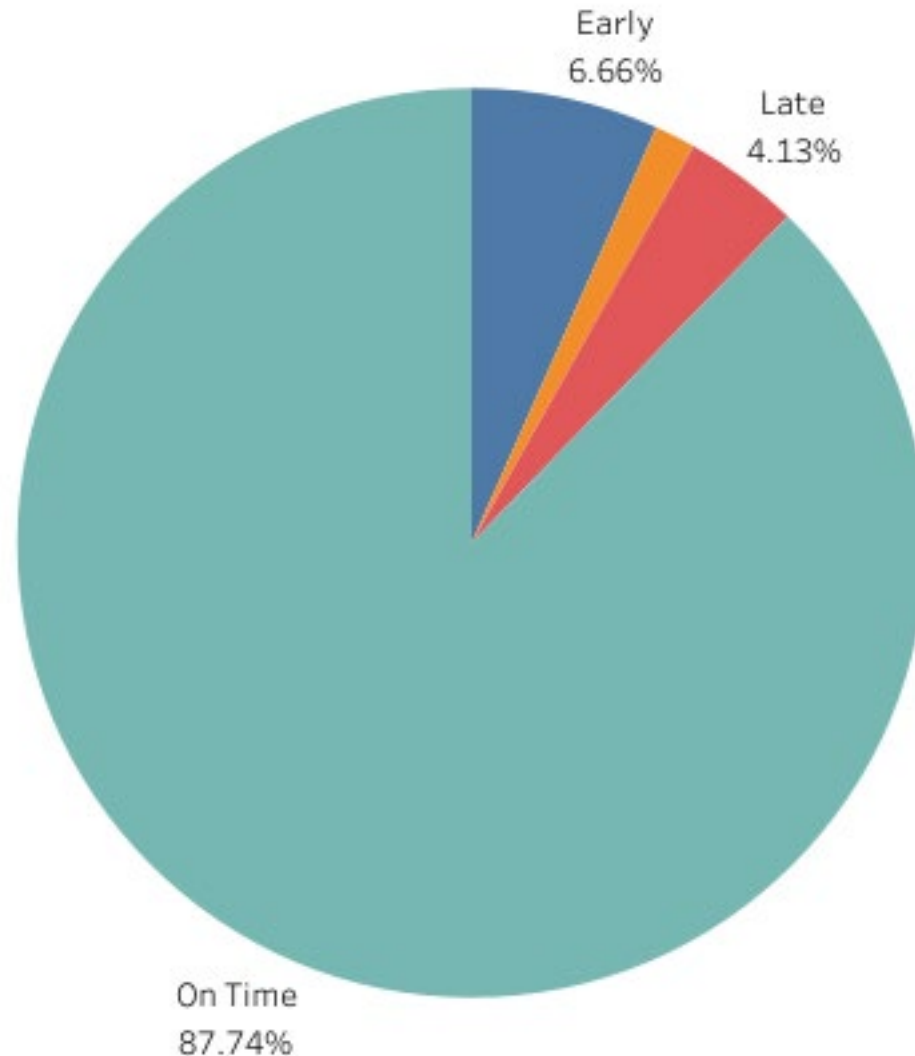


10X The High Line Express

10X Year-Over-Year Ridership



On-Time Performance



This chart shows On-Time Performance for all lines.

An assignment of Late is given any time a route arrives 5 minutes or later than expected, and an assignment of Extremely Late is given for 10 minutes or more.

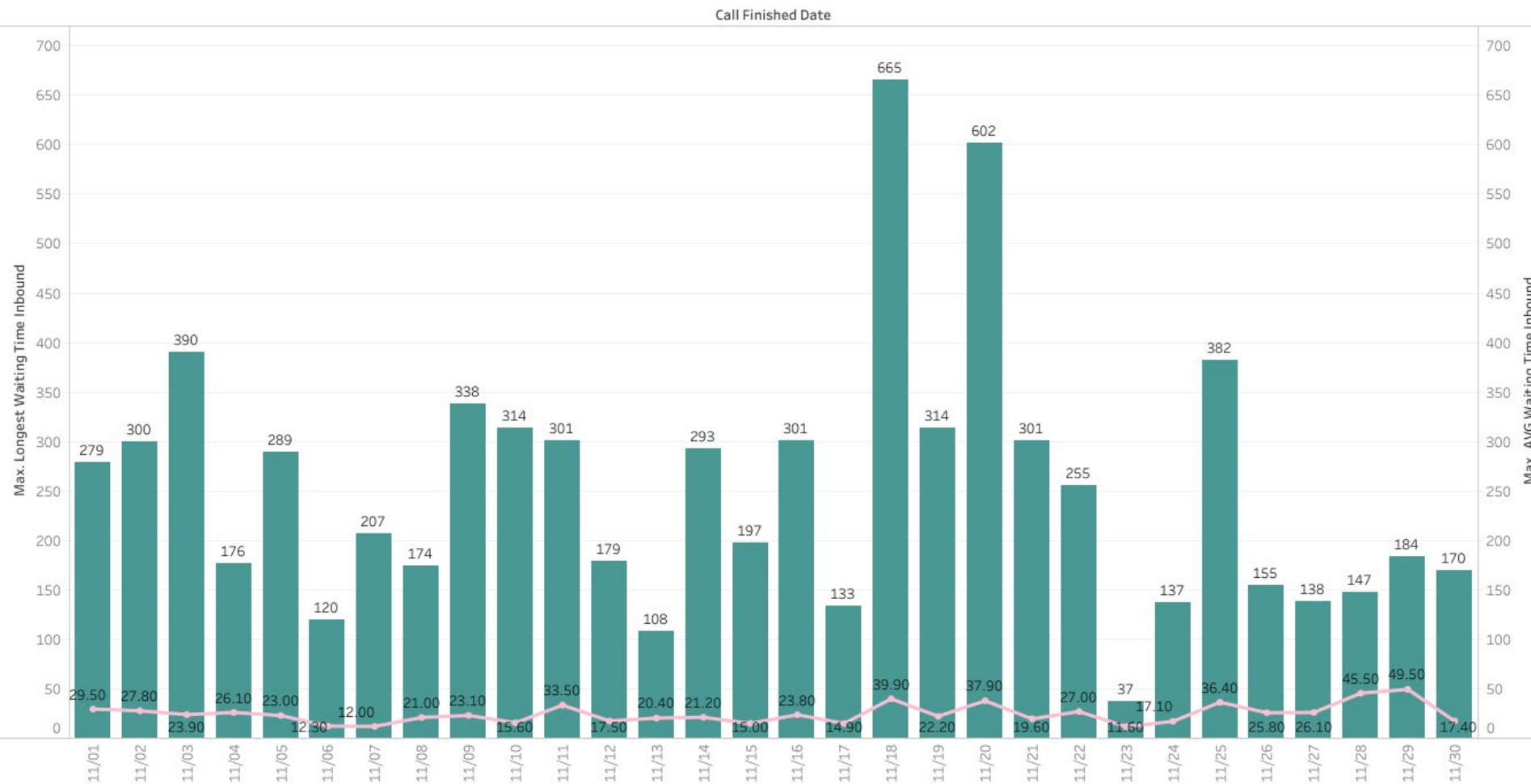
A total of 94.4% of fixed route rides arrived on-time or early throughout November, compared to 94.7% in October.

Occasionally, geofencing glitches can contribute to inaccurate logging of stop arrival. These errors can affect OTP accuracy.

Customer Service

Call Wait Time Report

Longest vs. Average Waiting Time (in seconds)



November Call Metrics

- 2,873 Calls
- 25 second average wait time
- 118 missed calls

22 This graph shows weekly maximums and averages for wait times. Our wait time goal is <1 minute.

Rider Feedback

Riders and residents can provide feedback to HVT in a variety of ways. This month, we logged 5 pieces of rider feedback – including 3 complaints. Each has been responded to and resolved. On the right, excerpts of some feedback items are included. Detailed summaries of each instance are included in the word document associated with this report.

“

I have been riding the Commuter bus to Salt Lake twice a week for the last year. I am unable to ride it more because it's so infrequent.

”

“

A confirmation email for scheduled rides would be very helpful. We have no idea if the rides we call in to schedule are actually scheduled.

”

“

I think [large electric bikes] should not be allowed inside the bus for space and safety reasons.

”

Thank you.





STAFF REPORT

Date: December 10, 2024
 To: Board of Trustees
 From: Jolena Ashman, Finance Director
 Subject: Request to adopt the 2024 Amended Budget and the 2025 Final Budget

Action Requested

Adopt the 2024 Amended Budget and the 2025 Final Budget as shown in Table 1, below:

Table 1. Proposed 2024 Amended and 2025 Adopted Budgets

Budget Type	2024 Adopted	2024 Tentative Amended	2024 Final Amended	2025 Tentative Proposed	2025 Final Proposed	2025 % Change over 2024 Adopted
Operating Revenue	\$ 5,172,104	\$ 6,002,821	\$ 6,198,904	\$ 4,221,689	\$ 4,289,273	-17%
Non-Operating Revenue	\$ 18,490,170	\$ 19,952,512	\$ 19,952,512	\$ 20,351,562	\$ 20,351,562	10%
Grants	\$ 18,322,879	\$ 18,242,192	\$ 18,344,734	\$ 39,799,852	\$ 26,265,220	43%
Other Income	\$ 9,009,400	\$ 21,313,357	\$ 21,347,043	\$ 875,429	\$ 999,845	-89%
Total Revenues	\$ 50,994,553	\$ 65,510,882	\$ 65,843,194	\$ 65,248,532	\$ 51,905,900	
Operating Expenditures	\$ 23,091,869	\$ 20,828,901	\$ 21,367,943	\$ 27,261,636	\$ 26,141,131	13%
Capital Expenditures	\$ 27,039,504	\$ 43,561,022	\$ 43,352,386	\$ 35,621,964	\$ 23,399,837	-13%
Debt Service	\$ 863,180	\$ 1,120,959	\$ 1,122,865	\$ 2,364,933	\$ 2,364,933	174%
Total Expenditures	\$ 50,994,553	\$ 65,510,882	\$ 65,843,194	\$ 65,248,533	\$ 51,905,900	

Background

As required by High Valley Transit District’s Administrative Policies and Procedures, Section 4.3, the Board of Trustees is responsible for amending and adopting operating, capital, and debt service budgets. As such, the preliminary drafts of the 2024 amended and the 2025 proposed budgets were presented to Board of Trustees on November 4, 2024; and the tentative budgets were adopted and the budget hearings advertised on November 4, 2024. Following the November 4th Board of Trustees

meeting, the Finance, Budget & Audit Committee met to further refine both the 2024 amended and the 2025 proposed budgets in light of more recently available financial and other information.

2024 Amended Budget

Staff are requesting to amend the 2024 budget from an adopted amount of **\$50,994,553** (for both Total Revenues and Total Expenditures) to an amended amount of **\$65,843,194**, which is ~\$332,000 higher than the proposed amount of \$65,510,882 in November. The final proposed amended amount is based on updated revenues received and expected and expenses paid since then and projected through the end of the year. Details of the changes are noted below, with a final result that the contribution to fund balance is \$308,000 less than projected in the November tentative amended budget.

Revenues

Program Income increased ~\$218,000 based on the receipt of several months of River North Via invoices that replaced the projections in last month's tentative budget. The service provided to Wasatch County has increased more than the projection in November by that amount.

Capital county grants increased from \$414,000 to \$501,000. We have a grant from Summit County for vehicle purchases. In the November budget proposal only the cost of the four buses recently purchased was included. The budget has been edited to include the technology pieces that will be added to the buses such as counters and cameras, that will also be reimbursed through that county grant. The 2025 budget has been amended down to reflect this amount that is now expected to be reimbursed in 2024 instead of 2025.

The District has earned ~\$36,000 more interest than forecasted last month.

Expenses

Actual expenses for November plus projected for December are ~\$314,000 more than expected. This is a result of several major things:

One, Bus Service was ~\$93,000 higher than projected. The increase in service to Wasatch County mentioned above is the major part of this.

Two, in both Professional/Technical contracts as well as Maintenance Contracts a number of contracts have officially been transitioned from Via to the District. Since the tentative amended budget was approved, those changes have allowed for improved visibility and tracking of the actual costs in those accounts. The Professional/Technical budget increased by ~\$33,000 and the Maintenance Contracts budget increased by ~\$174,000.

Three, for the five new buses that were purchased since the tentative amended budget was approved, more accurate estimates of the cost to outfit those buses were developed and updated in the budget in Depreciable Fixed Assets. Since so many of those services were purchased by Via when our other buses were purchased, it has only been very recently that we have accurate numbers for those expenses. This increased the projections in that account by ~\$96,000

Four, in the Fuel account the vendor that hosts our fuel cards, their Nov/Dec invoices were not factored into the budget. In addition, we took over the contract for the vendor that provides us with the DEF additive for the diesel buses, and that was not factored into last month's tentative amended budget. The increase is ~\$200,000.

Five, Equipment/Vehicle Maintenance was ~\$51,000 higher than forecasted for November.

On the flip side, Salaries cost ~\$59,000 less than forecasted and Benefits cost ~\$25,000 less.

2025 Final Budget

Table 1, on page 1 of this report, outlines the 2025 HVT final budget: \$26.1 million in operating, \$23.4 million capital, and \$2.4 million in debt service for a total proposed budget of **\$51,905,900**. The material changes in the total amount of the final budget proposal compared with the tentative approved budget from November's board meeting are detailed below:

Revenues

There is one major change to 2025 revenue. After last month's meeting, we received updated information on the Low-No grant that will purchase 10 electric buses for the District. No payment is required until delivery, which is expected in 2026. As a result, I have removed that part of the grant money from the 2025 budget, in the amount of \$13,509,630. This has also resulted in a significant increase in forecasted Interest Income because the forecasted \$8 million in payments for those 10 buses are no longer in the 2025 budget.

After receiving October's invoices from River North Via, the program with Wasatch County continues to grow. Our revenue from them is forecasted to be \$68k higher than projected last month.

Expenses

The costs for the purchase of the 10 electric buses have also been removed from the expense side of the budget as well, so that \$13,509,630 is no longer in the Depreciable Fixed Assets account.

Since last month's meeting, the District did open enrollment for the new health insurance plan. This provided us with exact numbers for health insurance benefits for the current staff. Those numbers have replaced the previous estimates, which resulted in **\$1.1 million savings** in the benefits line in the budget.

Uniforms are now split out of the Materials/Supplies budget. That had no impact on the budget numbers, just the organization of the accounts.

The expense in Maintenance Contracts for the use of the Ecker Hill Park and Ride parking was added. That expense was missed in last month's tentative budget. It increased the budget by \$18,000.

Capital vs. Operating

Below are side by side tables of Grants, Operating Revenues, Operating Expenses, and Capital Expenses, illustrating the changes from last month’s tentative approved budget to this month’s proposed budget:

Table 2: Operating Revenues vs. Expenses

November Meeting Tentative Approved:

2025 Operating Revenues + Interest Income vs Operating Expenses + Debt Service	
<i>Operating Revenues</i>	
All Operating Revenues including Sales Taxes and Operating Grants	\$28,814,299
Interest Income	\$854,909
Total	\$29,669,209
<i>Operating Expenses</i>	
All Operating Expenses	\$27,261,636
Interest Expense+Fees	\$1,107,933
Debt Principal Repayment	\$1,257,000
Total	\$29,626,569

December Meeting Proposed:

2025 Operating Revenues + Interest Income vs Operating Expenses + Debt Service	
<i>Operating Revenues</i>	
All Operating Revenues including Sales Taxes and Operating Grants	\$28,866,894
Interest Income	\$984,430
Total	\$29,851,325
<i>Operating Expenses</i>	
All Operating Expenses	\$26,141,131
Interest Expense+Fees	\$1,107,933
Debt Principal Repayment	\$1,257,000
Total	\$28,506,064

Table 3: Grants by Project

November Meeting Tentative Approved:

2025 Grant Contributions by Project and Type				
Project	Federal	State	County	Total
<i>Capital</i>				
Bus Rapid Transit	\$2,000,000	\$7,575,000	\$4,675,000	\$14,250,000
Facility	\$4,180,800			\$4,180,800
Vehicles	\$14,594,160	\$1,740,000	\$824,247	\$17,158,407
			<i>Subtotal</i>	\$35,589,207
<i>Operating</i>				
Operating	\$4,210,645			\$4,210,645
			Total	\$39,799,852

December Meeting Proposed:

2025 Grant Contributions by Project and Type				
Project	Federal	State	County	Total
<i>Capital</i>				
Bus Rapid Transit	\$2,000,000	\$7,575,000	\$4,675,000	\$14,250,000
Facility	\$4,180,800			\$4,180,800
Vehicles	\$1,084,530	\$1,740,000	\$799,245	\$3,623,775
			<i>Subtotal</i>	\$22,079,577
<i>Operating</i>				
Operating	\$4,210,645			\$4,210,645
			Total	\$26,265,220

Table 4: Capital Expenses

November Meeting Tentative Approved:

2025 Capital Expenses	
<i>Capital Expenses</i>	
Facility	\$5,741,410
BRT	\$14,250,000
Capital Improvements	\$160,000
Vehicles+	\$18,918,288
Depreciation Expense	\$1,000,000
Total	\$40,069,698

December Meeting Proposed:

2025 Capital Expenses	
<i>Capital Expenses</i>	
Facility	\$5,741,410
BRT	\$14,250,000
Capital Improvements	\$160,000
Vehicles+	\$5,254,818
Depreciation Expense	\$1,000,000
Total	\$26,406,228

Net Position and Cash Position

November Meeting Tentative Approved:

Table 5. 2024 Changes in Net Position

2023 Ending Fund Balance (audited)	\$ 41,148,686
2024 Overall Total Revenues	\$ 65,510,882
2024 Overall Total Cash Expenditures	\$ 47,351,208
2024 Estimated Ending Fund Balance	\$ 59,308,361

December Meeting Proposed:

Table 5. 2024 Changes in Net Position

2023 Ending Fund Balance (audited)	\$ 41,148,686
2024 Overall Total Revenues	\$ 65,843,194
2024 Overall Total Cash Expenditures	\$ 47,991,634
2024 Estimated Ending Fund Balance	\$ 59,000,246

Table 6. 2025 Changes in Net Position

2024 Ending Fund Balance (unaudited)	\$ 59,308,361
2025 Overall Total Revenues	\$ 65,248,532
2025 Overall Total Cash Expenditures	\$ 69,696,266
2025 Estimated Ending Fund Balance	\$ 54,860,627

Table 6. 2025 Changes in Net Position

2024 Ending Fund Balance (unaudited)	59,000,246
2025 Overall Total Revenues	\$ 51,905,900
2025 Overall Total Cash Expenditures	\$ 54,912,291
2025 Estimated Ending Fund Balance	\$ 55,993,855

Table 7. 2024 Cash Balances

Cash Balance 1/1/2024	\$ 22,918,614
Cash Balance 11/1/2024	\$ 44,116,968
Projected Cash Spending Remainder of 2024	\$ 8,741,858
Projected Cash Balance 12/31/2024	\$ 35,375,111

Table 7. 2024 Cash Balances

Cash Balance 1/1/2024	\$ 22,918,614
Cash Balance 12/7/2024	\$ 40,078,364
Projected Cash Spending Remainder of 2024	\$ 5,908,513
Projected Cash Balance 12/31/2024	\$ 34,169,851

Table 8. Projected 2025 Cash Balances

Projected Cash Balance 1/1/2025	\$ 35,375,111
Projected Cash Spending 2025	\$ 19,019,392
Projected Cash Balance 12/31/2025	\$ 16,355,718

Table 8. Projected 2025 Cash Balances

Projected Cash Balance 1/1/2025	\$ 34,169,851
Projected Cash Spending 2025	\$ 10,694,360
Projected Cash Balance 12/31/2025	\$ 23,475,491

	2024 Adopted Budget	2024 Tentative Amended Budget	2024 Final Amended Budget	2025 Tentative Proposed Budget	2025 Final Proposed Budget	2025 % Change	Notes
REVENUES							
Operating Revenues							
Canyons assessment	\$0	\$1,545,000	\$1,545,000	\$ 1,583,625	\$1,583,625	3%	
Business assessments	\$1,006,200	\$62,629	\$57,421	\$ 52,746	\$52,746	-8%	In 2024, Canyons assessment was included in this item
Program Income	\$4,100,904	\$4,333,573	\$4,530,513	\$ 2,436,019	\$2,503,603	-45%	2024 includes Wasatch and PCMC; 2025 includes Wasatch only.
Bus advertising program	\$5,000	\$0	\$0	\$ 7,763	\$7,763	-	
Miscellaneous income	\$60,000	\$61,619	\$65,970	\$ 60,000	\$60,000	-9%	
Rental properties	\$0	\$0	\$0	\$ 81,536	\$81,536	-	Expectation of May 1 occupancy and rent at 30% salary
Federal grants - OPERATING				Included below	Included below	-	See Federal Grants - Operating below
Sub-total Operating Revenues	\$5,172,104	\$6,002,821	\$6,198,904	\$4,221,689	\$4,289,273	-31%	Would be \$8,489,143 with inclusion of Federal Operating Grant
Non-operating revenues							
County contributions							
Sales taxes							
Mass transit (1st Qtr)	\$3,420,300	\$3,857,833	\$3,860,493	\$ 3,934,989	\$3,937,703	2%	
Additional mass transit (2nd Qtr)	\$4,064,500	\$4,321,940	\$4,351,067	\$ 4,408,379	\$4,438,088	2%	
Additional transit (A1 dist)	\$1,211,100	\$1,285,521	\$1,286,146	\$ 1,311,231	\$1,311,869	2%	
Additional transit (A2 muni)	\$1,160,570	\$1,178,075	\$1,171,906	\$ 1,201,637	\$1,195,344	2%	
Additional transit (A3 county)	\$2,113,400	\$2,254,273	\$2,243,165	\$ 2,299,358	\$2,288,029	2%	
County public transit (5th Qtr)	\$6,520,300	\$7,054,871	\$7,039,735	\$ 7,195,968	\$7,180,529	2%	
Sub-total Non-Operating Revenues	\$18,490,170	\$19,952,512	\$19,952,512	\$ 20,351,562	\$20,351,562	2%	DC/JA estimates +3.9% in 2024 vs 2023 actual and +2% in 2025
Sub-total of all Revenues above	\$23,662,274	\$25,955,333	\$26,151,416	\$24,573,251	\$24,640,835	-6%	Would be \$28,793,779 with inclusion of Federal Operating Grant
Intergovernmental							
Federal grants, Operating	\$2,046,824	\$881,105	\$881,105	\$ 4,210,645	\$4,210,645	378%	
Federal grants, Capital	\$9,895,148	\$7,364,348	\$7,364,348	\$ 20,774,960	\$7,265,330	-1%	
State grants, Operating	\$0	\$0	\$0	\$ -	\$0	-	
State grants, Capital	\$0	\$3,787,500	\$3,787,500	\$ 9,315,000	\$9,315,000	146%	
County grants, Operating	\$0	\$0	\$0	\$ -	\$0	-	
County grants, Capital	\$6,380,907	\$6,209,239	\$6,311,781	\$ 5,499,247	\$5,474,245	-13%	
Sub-total intergovernmental revenues	\$18,322,879	\$18,242,192	\$18,344,734	\$39,799,852	\$26,265,220	43%	
Other income							
Interest income	\$515,000	\$1,426,041	\$1,459,727	\$ 854,909	\$984,430	-33%	
Bond/Loan proceeds revenues	\$8,000,000	\$19,100,000	\$19,100,000	\$ -	\$0	-100%	
Contribution - Capital Outlay	\$0	\$0	\$0	\$ -	\$0	-	
Contribution - Wasatch County	\$400,000	\$0	\$0	\$ -	\$0	-	
Contribution-County	\$0	\$703,896	\$703,896	\$ -	\$0	-	
Contribution other entity OPERATING	\$14,400	\$3,420	\$3,420	\$ 20,520	\$15,414	351%	Board member health insurance payment
Contribution other entity CAPITAL	\$80,000	\$80,000	\$80,000	\$ -	\$0	-100%	
Sub-total other income revenues	\$9,009,400	\$21,313,357	\$21,347,043	\$875,429	\$999,845	-95%	
Overall total revenues	\$50,994,553	\$65,510,882	\$65,843,194	\$65,248,532	\$51,905,900	-21%	

	2024 Adopted Budget	2024 Tentative Amended Budget	2024 Final Amended Budget	2025 Tentative Proposed Budget	2025 Final Proposed Budget	2025 % Change	Notes
EXPENDITURES							
Bus operations							
Bus service	\$10,930,445	\$10,150,296	\$10,243,494	\$ 8,685,928	\$8,638,192	-16%	Includes Via for SC and WC Micro, Downtowner, and Via tech
Bus upfitting	\$558,325	\$72,920	\$91,712	\$ 35,000	\$35,000	-62%	non-capital bus improvements such as ski racks
Salaries	\$5,245,390	\$5,508,259	\$5,448,488	\$ 7,674,883	\$7,660,569	41%	Incl. 10 months of salary and benefits for proposed new hires.
Overtime	\$50,000	\$221,981	\$223,985	\$ 200,000	\$200,000	-11%	\$1,030,788 will be reimbursed in FTA5311 admin grant. \$1.5mm will be reimbursed in FTA5311 operating grant.
Benefits	\$2,775,244	\$1,856,537	\$1,831,173	\$ 4,916,251	\$3,797,865	107%	
Marketing/advertising	\$15,000	\$2,527	\$3,117	\$ 20,000	\$20,000	542%	
Materials/supplies	\$80,000	\$77,680	\$100,407	\$ 107,137	\$86,237	-14%	food, supplies, employee appreciation
Materials/supplies - Uniforms	\$0	\$0	\$15,536	\$ -	\$20,900	35%	uniforms
Travel/training	\$35,000	\$54,291	\$57,114	\$ 119,650	\$119,650	109%	
Transit board travel/training	\$10,000	\$5,938	\$7,876	\$ 10,000	\$10,000	27%	
Transit board stipend	\$10,000	\$10,000	\$10,000	\$ 10,000	\$10,000	0%	
Dues/subscriptions	\$59,556	\$37,571	\$40,679	\$ 46,614	\$46,614	15%	
Utilities	\$43,000	\$52,953	\$52,258	\$ 563,443	\$568,243	387%	includes assumptions for new facility
Cell phone	\$9,000	\$5,800	\$5,450	\$ 14,400	\$14,400	164%	
Employee housing	\$20,000	\$0	\$0	\$ 20,000	\$20,000	-	
Professional/Technical - OPERATING	\$496,968	\$480,248	\$513,631	\$ 2,220,625	\$2,249,865	338%	includes Low/No operations
Maintenance contracts	\$757,541	\$837,241	\$1,011,161	\$ 499,394	\$517,484	-49%	
Maintenance contracts - uniforms	\$0	\$0	\$6,026	\$ -	\$7,800	29%	uniform cleaning
Fuel	\$996,400	\$707,161	\$907,482	\$ 918,311	\$918,311	1%	
Equipment/Vehicle maintenance	\$1,000,000	\$747,499	\$798,355	\$ 1,200,000	\$1,200,000	50%	factors in need to replace engines
expenditures	\$23,091,869	\$20,828,902	\$21,367,943	\$27,261,636	\$26,141,131	22%	
Capital expenditures							
Board Discretion	\$200,000	\$0	\$0	\$ -	\$0	-	
CAPITAL	\$1,856,744	\$10,350	\$10,350	\$ -	\$0	-	
Capital improvements	\$60,000	\$100,443	\$104,207	\$ 160,000	\$160,000	54%	updating bus shelters
Facility construction	\$21,297,523	\$21,645,470	\$21,645,470	\$ 5,741,410	\$5,741,410	-73%	grant.
BRT Engineering & Design	\$0	\$0	\$0	\$ 500,000	\$500,000	-	24-TST-04. Contingency
Program Management	\$0	\$0	\$1,068,552	\$ 2,900,000	\$2,900,000	-	TTIF
Design	\$0	\$0	\$1,148,532	\$ 6,300,000	\$6,300,000	-	TTIF, \$1,625,000 24-TST-04
BRT Construction	\$0	\$0	\$0	\$ -	\$0	-	Contingency
CM/IGC	\$0	\$0	\$0	\$ 2,000,000	\$2,000,000	-	\$2mm RAISE, \$3.6mm 24-TST-04
Signals/Comms Vendor	\$0	\$0	\$0	\$ -	\$0	-	
Locally Funded	\$0	\$0	\$0	\$ -	\$0	-	
BRT Buses	\$0	\$0	\$0	\$ -	\$0	-	Contingency
Bus Purchase	\$0	\$0	\$0	\$ -	\$0	-	
BRT Right of Way Acquisitions	\$0	\$0	\$0	\$ -	\$0	-	Contingency
Land Acquisition Cost	\$0	\$0	\$0	\$ 2,550,000	\$2,550,000	-	\$2,150,000 Corridor preservation. \$400,000 from 24-TST-04
Depreciable fixed assets (vehicles+)	\$15,000	\$528,000	\$623,715	\$ 18,918,288	\$5,254,818	743%	\$824,247 23-TST-03 towards Low-No match. \$1,740,000 from TTIF Vehicles grant for 2 diesel buses. \$16,275,560 from Low-No grant less any 2024 expenses. \$1,018,078 20-TST-03 expected to reimburse in
Office equipment	\$10,000	\$0	\$0	\$ -	\$0	-	
Contribution to fund balance	\$2,493,602	\$18,159,675	\$17,851,560	-\$4,447,734	-\$3,006,391	-	
Depreciation expense	\$1,106,635	\$900,000	\$900,000	\$ 1,000,000	\$1,000,000	11%	
Sub-total other expenditures	\$27,039,504	\$43,561,023	\$43,352,386	\$35,621,964	\$23,399,837	-46%	
Debt service payments							
Principal	\$615,000	\$615,000	\$615,000	\$ 1,257,000	\$1,257,000	104%	principal for 2022 bond
Interest	\$243,180	\$405,709	\$407,615	\$ 1,103,933	\$1,103,933	171%	includes interest for 2024 bond as well as the 2022 bond
Fees	\$5,000	\$100,250	\$100,250	\$ 4,000	\$4,000	-96%	includes all the bond issuance fees for the 2024 bond
expenditures	\$863,180	\$1,120,959	\$1,122,865	\$2,364,933	\$2,364,933	111%	
Overall total expenses	\$50,994,553	\$65,510,882	\$65,843,194	\$65,248,533	\$51,905,900	-21%	

**A BUDGET RESOLUTION OF THE HIGH VALLEY TRANSIT DISTRICT
2025 BUDGETS**

WHEREAS, pursuant to Utah Code §17B-1-610, on December 10, 2024, the Board of Trustees of the High Valley Transit District held a properly noticed public hearing for the following 2025 budgets: Operating Fund, Capital Fund, and Debt Service Fund; and,

WHEREAS, the Board of Trustees of the High Valley Transit District finds that it is in the best interests of the High Valley Transit District to adopt the 2025 budgets of the following: Operating Fund, Capital Fund, and Debt Service Fund;

NOW THEREFORE, BE IT RESOLVED, pursuant to Utah Code §17B-1-614, the Board of Trustees of the High Valley Transit District hereby adopts the 2025 budgets, as shown herein:

2025

2025 Operating Budget

Revenue: \$26,141,131

Expense: \$26,141,131

Change in Net Position: \$0

2025 Capital Budget

\$23,295,317

2025 Debt Service Budget

\$2,364,933

APPROVED, ADOPTED, AND PASSED and ordered published by the Board of Trustees, this 10th day of December, 2024.

HIGH VALLEY TRANSIT DISTRICT
SUMMIT COUNTY, STATE OF UTAH

ATTEST:

By: _____
Kim Carson
Chair

David Geffen
Secretary

APPROVED AS TO FORM:

David L. Thomas

David L. Thomas
Chief Civil Deputy

**HIGH VALLEY TRANSIT DISTRICT
EXECUTIVE DIRECTOR
EMPLOYMENT CONTRACT**

THIS AGREEMENT (the "Agreement") is made and entered into this ___ day of ~~October, 2021~~December, 2024 (the "Effective Date") by and between **HIGH VALLEY TRANSIT DISTRICT** (hereinafter referred to as "District"), whose address is ~~1885 W. Ute Blvd~~2460 Kilby Rd., Park City, Utah 84098, and **CAROLINE RODRIGUEZ** (hereinafter referred to as "Rodriguez"), whose address is 1760 Oak Lane, Francis, UT 84036. The District and Rodriguez may be referred to as a "Party," and together as the "Parties."

RECITALS

WHEREAS, the District desires to employ the services of Rodriguez as the Executive Director of the High Valley Transit District through a written employment contract; and,

WHEREAS, District desires to:

1. Provide certain benefits to Rodriguez,
2. Establish certain conditions of employment,
3. Set working conditions for Rodriguez,
4. Secure and retain the services of Rodriguez and to provide inducement for her to remain in such employment,
5. Make possible full work productivity by assuring peace of mind on the part of Rodriguez,
6. Provide deterrents against malfeasance or dishonesty for personal gain on the part of Rodriguez, and
7. Provide a just means for compensation and for terminating Rodriguez's service should she become unable to fully discharge her duties or when the District's Board of Trustees (the "Board") may desire to otherwise terminate her employment.

NOW, THEREFORE, in consideration of the mutual covenants herein contained,

Section 1: POWERS AND DUTIES

District hereby agrees to employ Caroline Rodriguez as the Executive Director of the High Valley Transit District to exercise powers and perform the duties specified in Summit County Code, Title 2, Chapter 7, as well as those duties and requirements enumerated in the attached job description which is incorporated by reference herein, and to perform other legally permissible and proper duties as the Board may from time to time assign not inconsistent with, or in conflict with, the provisions of this Agreement, Summit County Code, or state or federal law.

Section 2: TERM

The term of this Agreement shall be for a period of three (3) years and three (3) months from October 1, 2024~~1~~ to December 31, 2027~~4~~ (the "Term").

- a. Nothing in this Agreement shall prevent, limit or otherwise interfere with the right of the Board to terminate the services of Rodriguez at any time, subject only to the provisions established by this Agreement. Nothing in this Agreement shall prevent, limit, or otherwise interfere with the right of Rodriguez to resign at any time from her position with the District upon thirty (30) days written notice to the Board.
- b. In the event the Board intends not to renew or renegotiate this Agreement with Rodriguez at the end of the Term, Rodriguez shall be given a minimum of thirty (30) days advanced written notice.
- c. Rodriguez agrees to remain in the exclusive employ of the District and the Board during the Term of this Agreement. The term "employed" however, shall not be construed to include occasional teaching, writing, speaking, consulting performed on Rodriguez's time off, even if outside compensation is provided for such services. Said activities are expressly allowed, provided that in no case is any activity allowed which would present a conflict of interest with the District or the Board. *De Minimis* use of the District's equipment (such as laptop computer) for such purposes is hereby authorized.

Section 3: TERMINATION AND SEVERANCE PAY

- a. Termination without Cause. In the event Rodriguez is terminated, or asked to resign by the Board for any reason other than as set forth in paragraph (b) below, and Rodriguez is willing and able to perform her duties under this Agreement, then in that event the District agrees to pay Rodriguez a lump sum cash payment equal to six (6) months aggregate salary. Rodriguez shall also be compensated for all paid time off, deferred compensation and all other accrued benefits to date.
- b. Termination for Cause. In the event Rodriguez is terminated for cause, which is defined for purposes of this Agreement as: (i) an intentional act or acts of dishonesty in the performance of her duties as an employee of the District and the Board that is injurious to the mission, financial condition, results of operations or reputation of the District and the Board, taken as a whole; (ii) any material breach of this Agreement; (iii) a material breach of her fiduciary duties to the District or the Board, including complying with and enforcing District policies; (iv) her conviction, or pleading of nolo contendere to any felony, or any misdemeanor involving moral turpitude; (v) her imprisonment for any reason; (vi) any act of

fraud or willful misconduct in the performance of her duties hereunder; (vii) her repeated failure to obey District's policies or the instructions of the Board; (viii) a disability as set forth in Section 5; or (ix) her repeated failure to perform her obligations and duties, then the District shall have no obligation to pay the severance indicated, except for items for which Rodriguez may be legally entitled.

- c. Resignation. In the event Rodriguez voluntarily resigns as the Executive Director, the District will be under no obligation to continue to compensate Rodriguez after the date of resignation except for items for which Rodriguez may be legally entitled.

- d. Duty to Mitigate on Termination; Deduction and Offset. Should District exercise its right to terminate Rodriguez's employment prior to the expiration of the Term under paragraph (a) above, during the six (6) month's severance period set forth therein (the "Mitigation Period"), Rodriguez shall (i) use reasonable efforts to seek other comparable employment, (ii) advise District on a regular basis of her work status, and (iii) provide documentary evidence of Rodriguez's efforts to find other comparable employment during the Mitigation Period. During the Mitigation Period, if Rodriguez becomes self-employed or accepts employment with any other person or entity, Rodriguez shall provide District with written information regarding Rodriguez's rate of pay and other earnings and benefits, and shall furnish to District such related documentation as it requests, including without limitation, copies of W-2 statements and relevant portions of Rodriguez's personal income tax filings and any tax filings on behalf of Rodriguez. Rodriguez hereby authorizes District to deduct from the payments to be made by District pursuant hereto the value of any earnings and benefits from third-party employment, or an amount equal to Rodriguez's taxable income from self-employment activities, by periodic adjustments in District's payments to Rodriguez or Rodriguez shall repay District any sums due it. In the event that Rodriguez accepts full time employment with a third party during the Mitigation Period and the fixed compensation Rodriguez receives from such third party employer is less than the fixed compensation District is obligated to pay Rodriguez hereunder, then District shall remain obligated to pay Rodriguez only the amount of the difference for the remainder of the Mitigation Period.

Section 4: COMPENSATION

- a. ~~Rodriguez's salary effective on October 1, 2021 shall be \$137,000 per year. On January 1, 2022, said salary shall be increased to \$145,000 per year.~~
- a. Rodriguez shall be paid installments at the same time as other employees of the District are paid.
- b. Rodriguez shall be paid installments at the same time as other employees of the District are paid.

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- c. The Board agrees that Rodriguez is eligible for an annual increase in salary, which shall be up to the maximum potential percentage increase provided for all District employees in the annual budget.

Section 5: DISABILITY

In the event Rodriguez is permanently disabled or is otherwise unable to perform her duties because of sickness, accident, injury, mental incapacity, or health for a period of six (6) successive months and has not or cannot obtain a medical release to return to work, this Agreement will be deemed terminated and no additional compensation or severance shall be paid as indicated in Section 3(b) of this Agreement.

Section 6: BENEFITS

- a. All provisions of the District's personnel policies, and other regulations, directives, policies, practices and procedures shall apply to Rodriguez unless otherwise provided herein. This shall include the following benefits as contained in the High Valley Transit Administrative Policies and Procedures, Personnel Policy, Chapter 15 (the "*Personnel Policy*"):
 - (1) Health Insurance or payment in lieu of coverage
 - (2) Dental Insurance
 - (3) Life Insurance
 - (4) Retirement: Rodriguez shall take retirement through Tier II Program of the Utah Retirement Systems ("*URS*").
 - (5) Family and Medical Leave
 - (6) Long Term Disability
 - (7) Military Reserve Leave
 - (8) Sick Leave
- b. Rodriguez shall accrue paid time off at the rate of ~~192-208~~ hours per year. Paid time off may be carried over year to year up to the aggregate limits of vacation time per the Personnel Policy.
- c. For the purposes of accessibility, the Board shall provide Rodriguez with a monthly stipend of \$50.00 as reimbursement to Rodriguez for the costs associated with having an active mobile phone device and maintaining active service during the Term of this Agreement.
- d. Rodriguez's duties require exclusive and unrestricted use of an automobile. The Board shall provide a vehicle, maintenance and fuel for use by Rodriguez consistent with HVT's Administrative Policies and Procedures, which may include the use of cooperative purchasing under state contracts. Rodriguez shall have reasonable

discretion to choose the make and model of the vehicle so long as the cost is within the budget approved by the Board. Such benefit to be documented through IRS form 1099.

Section 7: HOURS OF WORK

It is recognized that Rodriguez must devote a great deal of her time outside normal office hours to business of the District, and to that end Rodriguez will be allowed to take administrative time off as she shall deem appropriate during normal office hours.

Section 8: PROFESSIONAL DEVELOPMENT

- a. The District and the Board will provide through the budgeting process resources, as they deem appropriate, for Rodriguez to attend seminars, short courses, professional association meetings, and similar functions for her continued professional development and for the good of the District and the Board. The District agrees to pay for Rodriguez to attend conference/training the Board determines Rodriguez should attend.
- b. The District and the Board will provide through the budget process resources, as they deem appropriate, for Rodriguez to maintain professional association memberships that are held by Rodriguez and any civic club memberships (e.g.; Rotary Club International) where Rodriguez participates.

Section 9: PERFORMANCE EVALUATION

The Board shall annually review the performance of Rodriguez in August of each year subject to a process, form, criteria, and format for the evaluation that shall be mutually agreed upon by the Board and Rodriguez. The process at a minimum shall include the opportunity for both Parties to: (1) prepare a written evaluation, (2) meet and discuss the evaluation, and (3) present a written summary of the evaluation results. The final written evaluation should be completed and delivered to Rodriguez within thirty (30) days of the evaluation meeting.

Section 10: INDEMNIFICATION

As required under Federal, State or Local Law, and at the express written request of Rodriguez, the District shall defend, save harmless and indemnify Rodriguez against any tort, professional liability claim or demand or other legal action, whether groundless or otherwise, arising out of an alleged act or omission occurring in the performance of Rodriguez's duties or resulting from the exercise of judgment or discretion in connection with the performance of those duties or responsibilities, unless the act or omission involved willful misconduct, gross negligence, or wanton conduct. Legal representation for Rodriguez shall be provided by the District or its insurance carrier as may be required, but shall not be provided for determinations of willful misconduct, gross negligence, or wanton conduct of Rodriguez. If provided, legal representation, provided by the District for Rodriguez, shall

extend until a final determination of the legal action including any appeals brought by either party, and the District shall indemnify Rodriguez against any and all losses, damages, judgments, interest, settlements, fines, and court costs.

Rodriguez recognizes that the District shall have the absolute right to settle any claims or lawsuits unless the settlement is of a personal nature to Rodriguez, in which event Rodriguez may exercise her veto over the settlement. Further, the District agrees to pay all reasonable litigation expenses of Rodriguez throughout the pendency of any litigation to which Rodriguez is a party, witness or advisor to the District or the Board. Such expense payments shall continue beyond Rodriguez's service to the Board as long as litigation is pending.

Section 11: RESIDENCE

During the Term of this Agreement, Rodriguez agrees that she shall live within the boundaries of Summit County, Utah, unless otherwise approved by the Board.

Section 12: BONDING

The District shall bear the full costs of any fidelity or other bonds required of Rodriguez under any law or ordinance.

Section 13: GENERAL PROVISIONS

- a. This Agreement sets forth and establishes the entire understanding between the Board and Rodriguez relating to the employment of Rodriguez by the District and the Board. Any prior discussions, representations, written or verbal agreements by or between the Parties are merged into, superseded by, and rendered null and void by this Agreement. The Parties by mutual written agreement may amend any provision of this Agreement during the life of the Agreement. Such amendments shall be incorporated and made a part of this Agreement.
- b. This Agreement shall be binding upon and inure to the benefit of the heirs at law and executors of Rodriguez.
- c. If any provision, or any portion thereof, contained in this Agreement is held unconstitutional, invalid or unenforceable, the remainder of this Agreement, or portion thereof, shall be deemed severable, and shall not be affected and shall remain in full force and effect.

Section 14: NO REDUCTION OF BENEFITS

The District and the Board shall not at any time during the Term of this Agreement reduce the salary, compensation, or other financial benefits of Rodriguez, except to the degree of such a reduction across-the-board for all employees of the District or the result of disciplinary action.

Section 15: NOTICES

Notices pursuant to this Agreement shall be given by deposit in the custody of the United States Postal Service, postage prepaid, addressed as follows:

- a. BOARD: High Valley Transit Board of Trustees
~~1885 W. Ute Blvd~~, 2460 Kilby Rd.
Park City, UT 84098

With a copy to:

Summit County Attorney
Summit County Courthouse
60 N. Main
P.O. Box 128
Coalville, Utah 84017

- b. RODRIGUEZ: Caroline Rodriguez
1760 Oak Lane
Francis, UT 84036

(or as amended by Rodriguez)

Alternatively, notices required pursuant to this Agreement may be personally served in the same manner as is applicable to civil judicial practice. Notice shall be deemed given as of the date of personal service or as of the date of deposit of such written notice in the course of transmission in the United States Postal Service.

Section 16: COUNTERPARTS

This Agreement may be executed in counterparts and delivered by electronic transmission. Any signature on this Agreement transmitted by facsimile or electronically in PDF format or other electronic means (e.g., DocuSign) shall be deemed an original signature and may be used in lieu of the original for all purposes.

Signature Page to Follow

IN WITNESS WHEREOF, District has caused this Agreement to be signed and executed in its behalf by the Chair of the High Valley Transit Board of Trustees, and Caroline Rodriguez has signed and executed this Agreement, the day and year first above written.

HIGH VALLEY TRANSIT DISTRICT

By: Board of Trustees

Kim Carson
Chair

APPROVED AS TO FORM:

David L. Thomas

David L. Thomas
Chief Civil Deputy

RODRIGUEZ

Caroline Rodriguez



STAFF REPORT

Date: December 10, 2024
To: Board of Trustees
From: Allie Shorkey, HR Director
Jolena Ashman, Finance Director
Subject: Process around change of health insurance

Requested Action:

Discuss and ratify the Employer Health Insurance Agreement between High Valley Transit and Utah Retirement Systems Public Employees Health Program.

Background:

High Valley Transit was adopted into the Summit County Health Coalition (“Coalition”) after separating from the County in July 2023. At that time, there were numerous conversations within the Coalition on whether HVT should be allowed to join as an “outsider.” Some of the entities did not want us to join due to risk as we were expected to grow. Others were fine with us joining as we would increase the pool numbers. The conclusion from the group was that because we were originally part of the County, and because HVT employees were already on insurance, continuing to keep us would not be a large risk to the group.

After being adopted into the Coalition, there were several red flags that arose over the last year:

- The Coalition has not gone out to bid on their benefits since 2019 and does not have any desire to do so. When HVT proposed going out for bid, we were out voted.
- The Coalition does not have an agreement in place for its members. The agreement that was proposed this year was heavily skewed in the County’s favor and after members of the Coalition expressed serious concerns about it, the entire discussion was dropped.
- The County is holding an excess of ~\$7 million dollars of the Coalition’s funding in reserve in their General Fund. They have done one month of “premium holiday” in two years. According to the Coalitions Broker, Moreton & Company (“Moreton”), a healthy number for a self-funded account of our size is between \$3 – \$4million.
 - The County does not provide any financial statements for the Coalition funding, so members of the Coalition do not know the exact number that is being held. Most recent estimate provided by the County Finance Department was the number listed above.
- The County has never done an interest share with the members of the Coalition. They don’t have the Health Fund separated from the General PTIF fund, so it’s opaque as to how much interest

is even being earned, and the County reaps all the benefit of it.

In addition to the reg flags, there are several low efficiency processes that take place with how the benefits through the Coalition are set:

- Manual paper forms having to be filled out by employees, duplicating information due to multiple provider forms.
- The need for HVT's HR Dept. to manually input all the data into four different vendor platforms – much of which is duplicate information, and which creates a potential to miss overlapping information or eligibilities.
- One employee takes approximately 25 minutes to complete.
- Paying four separate invoices to providers.

Request for Proposals (RFP)

Moreton has been representing the Coalition since 2023 and works closely with each entity within the group as well as attends our Coalition meetings and provides us with extensive data on each entity's insurance plans. With the separation from the Coalition, HVT would continue to work with Moreton for their expertise, the cost of which is included in the contract for services between HVT and the County.

Allie and Jolena started a conversation with Moreton in August about wanting to see what other options may be viable as we were not provided with any opportunity to look at benefits ourselves. Moreton agreed to gather quotes from other health insurance providers for HVT so we could see what other options are available to us. Quotes from Select Health (with us going independent from the Coalition), Regence Blue Cross, and PEHP were provided to us at the beginning of September. We also discussed UnitedHealth but opted not to request a quote from them. While UnitedHealth tends to be a lower premium option, they are known for not paying facilities and providers well, so there is reluctance from many providers / facilities to take their coverage resulting in a small network. Key highlights of each proposal are outlined below:

- Select Health
 - Same plan that we currently offer, just on our own
 - Would allow us to keep the surplus rather than the County
 - Only allows for Intermountain facilities
 - Higher risk to HVT, not being in large group
 - Two separate deductibles for in-network and out of network services (same for with the Coalition)
 - \$3,000 more per month
- PEHP
 - Provided us with 10 plan options
 - Ability for the employee to choose their network (Summit or Advantage)
 - Self-funded through state plan (like Coalition) with yearly dividends – Note, the state plan includes more than 14,000 members from jurisdictions such as the City of South Jordan, Salt Lake City, and Salt Lake County.
 - Ability to have prescription rider to reduce the cost of certain medications
 - One deductible to meet for in-network and out of network services
 - \$11,000 more per month

- Regence Blue Cross
 - Would require all employees to switch networks – Intermountain facilities would no longer be in-network.
 - Not self-funded, no ability for dividends
 - \$25,000 more per month

Gathering proposals and rates for the upcoming year leaves a short timeframe for decision making. Generally, less than 30 days. After obtaining all the quotes, Allie started conducting extensive research into the plans; received feedback from employees; and conducted a focus group. She also met directly with both Caroline and Brad to review the plans, address any questions, and discuss important data points as part of the review.

After reviewing the results, it was determined that making the switch to PEHP would be best for HVT, for the following reasons:

- While the plan is more expensive to HVT, the chosen plans allow for more provider options
- The plans we chose have lower employee out of pocket costs

The tables below provide a comparison of various costs on Summit County’s Select Health plan versus the costs with HVT’s chosen PEHP plan.

Deductible & Out of Pocket Max Comparisons					
	Select Health			PEHP	
	QHDP	PPO	QHDP	PPO	
Deductible (Individual / Family)	\$1650 / \$3300	\$1560 / \$3300	\$1560 / \$3300	\$750 / \$1500	
Out of Pocket Max (Individual / Family)	\$4000 / \$8000	\$4000 / \$8000	\$2800 / \$5600	\$5,000 / \$10,000	

Prescription Cost Comparison Per Month¹		
	Select Health	PEHP
Humalog / Lispro (Diabetes)	\$206.98 / month	FREE
Vyvanse (ADHD)	\$377.90 / month	\$50.00 / month
EpiPen (Anaphylaxis)	\$700.00 / pen	\$30.00 / pen
Sertraline (Anxiety / Depression)	\$17.10 / month	\$10.00 / month
Norethindrone Acetate (Hormone Replacement)	\$20.40 / month	\$10.00 / month

¹ Prescription list was chosen based off medications currently used by employees.

Procedure Cost Comparison ²		
	Select Health	PEHP
Hysterectomy	\$4000	\$2800
IUD Insert	Unknown	\$1375
Bunionectomy	\$3790	\$2045
Colonoscopy	\$417	\$509
Cardiac Echocardiogram	\$1631	\$1362
Appendectomy	\$3231	\$2962
Hernia Repair	\$2902	\$2324

Total actual cost for current headcount for the year would be **\$1,259,691.77** and is reflected in the draft 2025 budget. This number has the cost of both medical premiums and employer HSA contributions which we currently pay out.

Of our 68 employees that have elected to enroll in medical insurance, 34% have opted to switch networks and 15% have elected to have Traditional coverage over the High Deductible plan (down from 21% in 2024). Below is the breakdown of what percentage the employees will be paying out of pocket to have the Traditional coverage.

Traditional Plan Cost Per Month Comparison						
	HVT Cost 2024	HVT Cost 2025	EE Cost 2024	EE Cost 2025	EE % 2024	EE % 2025
Individual	\$522.00	\$581.14	\$31.00	\$126.02	5.61%	17.82%
2 Party	\$1040.00	\$1202.94	\$63.00	\$260.90	5.71%	17.82%
Family	\$1612.00	\$1624.17	\$98.00	\$352.92	5.73%	17.9%

Qualified High Deductible Plan Cost Per Month Comparison						
	HVT Cost 2024	HVT Cost 2025	EE Cost 2024	EE Cost 2025	EE % 2024	EE % 2025
Individual	\$522.00	\$581.14	\$0.00	\$0.00	0.00%	0.00%
2 Party	\$1040.00	\$1202.94	\$0.00	\$0.00	0.00%	0.00%
Family	\$1612.00	\$1624.17	\$0.00	\$0.00	0.00%	0.00%

Generally, reinsurance allows insurers to offer higher coverage limits while also keeping risk low by mitigating catastrophic loss. Under the Coalition’s Select Health plan, the Coalition pays for each piece (insurance, reinsurance, prescription) a la carte; meaning the Coalition is responsible for obtaining and paying separately for reinsurance products. Conversely, PEHP bundles the cost with their Large Group Risk Pool plan and the cost of reinsurance and prescriptions are included in the monthly premiums. The following is what is written into the contract on this topic :

² Procedure list was chosen based off actual procedures needed by employees in the last 18 months.

5.4 Claims Reinsurance

5.4.1 All Employers participating in PEHP health plans shall participate in a self-funded PEHP Reinsurance Risk Pool governed by the Utah State Retirement Board (the "Board"), as described in Appendix A.

5.4.2 The reinsurance fee associated with the PEHP Reinsurance Risk Pool is included within the Employer's Rate and includes both a specific stop loss and aggregate reinsurance cost. The Reinsurance fee is set forth in Appendix A. Reinsurance fees are not self-insured, and the Employer shall have no recourse to recover any of these amounts paid.

Included: Appendix A – C: Reinsurance

Reinsurance

1. Each Employer shall participate in the PEHP Reinsurance Risk Pool and pay the applicable fees for such services. Reinsurance fees are included in the Employer's Rate, as outlined in Appendix Section A-2. The PEHP Reinsurance Risk Pool covers for the Employer:
 - a. Medical and pharmacy claims eligible under this Agreement and the Master Policy, according to the following limits and subject to the exclusions herein;
 - b. Large claims exceeding \$100,000 annually, calculated on an incurred in 12 months and paid in 15 months basis (specific stop loss coverage);
 - c. Aggregate risk pool claims that total between 120% to 135% of expected risk pool claims (aggregate stop loss coverage); and
 - d. Other purposes that PEHP and the Board may approve.
2. The PEHP Reinsurance Risk Pool specifically excludes coverage for any claims incurred:
 - a. Outside of the eligibility standards of this agreement or the Master Policy;
 - b. For benefits not specifically covered by the Master Policy;
 - c. That are excluded by PEHP's commercial reinsurance carrier;
 - d. By an Employee or Eligible Dependent who has committed fraud, criminal acts, or other breach of the Master Policy, as described in Section 2.1.7 of this Agreement; or
 - e. That are approved by Employer for processing and payment, despite being ineligible for payment under this Agreement, the Master Policy or the Employer plan benefit documents that have been approved by PEHP.
3. If the Employer approves claims or benefits not covered by this Agreement or the Master Policy, the Employer shall be responsible for all claims expenses associated with such charges. Notwithstanding any other provision of this Agreement, PEHP shall have no liability to pay any claims, benefits or make other payments that are not specifically stated in this Agreement or the Master Policy.
4. PEHP shall evaluate claims and pay reinsurance amounts on a monthly basis. PEHP shall pay claims which are paid under the Employer's plan year in accordance with the PEHP Master Policy.

About the LGRP

Frequently Asked Questions

What is the LGRP?

PEHP administers the employee benefit plans for hundreds of Utah public entities in a self-funded pool called The Local Governments Risk Pool (LGRP). Participating cities, counties, special service districts, and schools get all the benefits of PEHP's non-profit model combined with the benefits of self-funded with the feeling of fully-insured.



- » The money we hold in the LGRP is our members', it's never ours
- » When costs are reduced, our clients reap the financial benefit, not us
- » No reserve deposit is required
- » Rates do not include profit margin
- » Pharmacy rebates are given to the pool, not kept by the carrier, and offset renewals
- » Rates are a direct reflection of trends, expected claim costs, and administrative fees
- » Lowest costing administrative fees and reinsurance in the state.

What are the advantages of joining the LGRP?

- » **Stability**
 - › Lower than market renewals and trends
 - › Reserves in a solid financial position, earn interest to offset renewals
 - › No deposit required to join
- » **Plan flexibility**
 - › Variety of plan options including traditional and HDHP plans
 - › Plan customization for large groups
 - › Deductibles and out of pocket maximum limits accrue in a plan year rather than calendar

CONTINUES ON OTHER SIDE



PROUDLY SERVING UTAH PUBLIC EMPLOYEES

» **Multiple networks can be offered**

- › Summit – MountainStar, University, and Common Spirit hospital networks
- › Advantage – Intermountain Healthcare network
- › Preferred – covers every major hospital in the state
- › Multiple exclusive networks for lower rates and deeper discounts

» **ACA assistance**

- › Avoid some of the fees and taxes required by the affordable care act
- › PEHP collects and pays ACA fees on your behalf
- › We compile all ACA reporting documents and forms

» **Savings**

- › Annual review where we give back excess reserves and savings to groups
- › PEHP has given back more than \$100 million in excess reserves over the last 15 years
- › No profit, low cost administration and reinsurance

What is vesting and how does it work?

Contracts in the LGRP are year-to-year with vesting. We have a vesting period to protect those already participating in the pool and the reserves they've built. The vesting period prevents any one group from depleting the reserves and then leaving the other groups responsible.

The vesting period is for three years and requires a group to pay back any deficit it incurs if the group leaves before the vesting period ends. The vesting period can be waived if a group provides 2 years of credible claims experience prior to joining the pool.

New groups who join the pool enjoy the certainty of a trend renewal for the second year at 7.2%.



Employer Health Insurance Agreement

Between High Valley Transit

and

Utah Retirement Systems Public Employees' Health Program

January 1, 2025, through December 31, 2025

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SECTION 1 – INTRODUCTION

1.1 Contract

1.1.1 This Employer Health Insurance Agreement (“Agreement”) is made and entered into, pursuant to Utah Code Annotated Title 49, Chapter 20, by and between High Valley Transit (“Employer”), a body corporate and politic of the State of Utah, and the UTAH RETIREMENT SYSTEMS, by and through its Employer benefit and insurance division, the PUBLIC EMPLOYEES’ HEALTH PROGRAM (“PEHP”).

1.1.2 In exchange for Employer’s payment of Rates, PEHP provides defined healthcare Benefits to Members. Any payment of Rates will constitute Employer’s agreement to the terms of this Agreement, regardless of whether Employer has actually signed the Agreement.

1.1.3 NOW, THEREFORE, for and in consideration of the agreements and provisions hereinafter contained, the parties hereby agree and enter into this Agreement.

1.2 Scope of Agreement

1.2.1 PEHP will make available to Employer’s Eligible Employees, Eligible retirees under age 65, and Eligible dependents, the health and prescription drug plans listed in Appendix A. All terms, definitions, and conditions of the health and prescription drug plans are hereby incorporated into this Agreement.

1.2.2 Any and all other documents attached hereto are hereby made a part of this Agreement as fully as though detailed herein.

1.2.3 The parties acknowledge that for purposes of paying fees required by the Affordable Care Act, PEHP shall act as the plan sponsor of Employer’s benefit plans. All programs and plans offered by PEHP are subject to change in order to adapt to the changes and trends in the health care industry. Further, the Benefits in this Agreement are not necessarily the benefits of the Employer's previous insurance carrier. This contract does not guarantee benefits payable under the previous carrier will be payable under PEHP.

1.2.4 No Member of PEHP has a vested right to any Benefits. Changes to the Agreement may be made without notification, consultation or the consent of Members. However, material mid-plan year changes to the Benefits must be made with approval of the Employer and with 60 days notice to the Members. The rights and interest of Members at any particular time depend on the Agreement terms in effect at that time.

1.2.5 PEHP may adopt reasonable policies, rules and procedures to help in the administration of the Agreement. Employer agrees to abide by all such reasonable policies, rules, and procedures that are not inconsistent with the Agreement.

1.2.6 PEHP has discretion to determine Eligibility for Benefits and to interpret the terms and conditions of the Benefit plan(s). PEHP's determinations under this Section do not prohibit or prevent a Member from seeking an appeal of claims or an administrative review by following the appeals procedure established by the Master Policy and Utah Code Ann. § 49-11-613.

SECTION 2 – ELIGIBILITY AND ENROLLMENT

2.1 Eligibility

2.1.1 PEHP shall provide coverage to those Eligible Employees and their Eligible Dependents in accordance with the terms of the PEHP Master Policy attached as Appendix A.

2.1.2 In consultation with PEHP and within PEHP's stated Eligibility parameters, if Employer has 100 Subscribers or more, Employer shall decide which categories of Employees and Dependents are Eligible to become Members and establish related Eligibility requirements. Employer agrees to implement standards that are nondiscriminatory and is solely liable if any standards are determined to be discriminatory.

2.1.3 Notwithstanding Section 2.1.2, if Employer is community rated or all Employers in Employer's risk pool are paying the same Rates, then Employer shall be subject to PEHP's Eligibility parameters and shall not have discretion to set its own standards.

2.1.4 Eligibility standards (including termination standards) determined by Employer must be reported to and approved by PEHP each plan year, at least ninety (90) days prior to the start of the plan year. **Employer shall inform PEHP of its eligibility standards on the PEHP Benefit Selection Form.** If Eligibility standards vary from plan year to plan year, PEHP may revise Rates correspondingly, in accordance with sound actuarial principles.

2.1.5 Employer may not change, extend, expand, or waive the Eligibility criteria without first obtaining the advance, written approval of an officer of PEHP. Eligibility standards may not be changed mid-plan year.

2.1.6 Employer's Eligibility parameters must meet PEHP's criteria which include the following:

- All retirement-eligible Employees are Eligible;
- Any elected officials are Eligible;
- Any appointed officials who are required to work the same hours as other Employees are Eligible;
- Otherwise Eligible Employees with other coverage may waive coverage with the Employer under the Plan;
- At least 80% of the above listed Eligible individuals, who have not demonstrated proof of other coverage, must participate in the Plan, or, if Employer employs fewer than five (5) individuals, 100% of individuals must participate in the Plan;
- Independent contractors are not Eligible;

Only individuals who continuously satisfy the Eligibility criteria of the Agreement may be enrolled and continue as Members. Employer, Subscribers, and their Dependents are responsible for obtaining and submitting to PEHP evidence of Eligibility.

2.1.7 Notwithstanding this Section 2, PEHP reserves the right to deny coverage to an otherwise Eligible Employee and/or their Eligible Dependent(s), in accordance with the PEHP Master Policy, if that individual commits fraud upon PEHP, forges prescriptions, commits criminal acts associated with coverage, misuses or abuses Benefits or breaches the conditions of the PEHP Master Policy. Notwithstanding any other provision of this Agreement, if such an individual retains Coverage with PEHP at the request of an Employer after a recommendation by PEHP to address either the fraud, criminal acts associated with coverage, or a breach of the PEHP Master Policy, Employer shall be solely and completely responsible for all claims incurred for this individual. In such a circumstance, the individual's claims shall be adjudicated separately from the Employer's experience, and no claims for this individual, either in specific or aggregate, shall be eligible for payment by PEHP reinsurance.

2.2 Enrollment Requirements

2.2.1 In order for an Eligible individual to receive Benefits, Employer must enroll the individual, PEHP must accept the individual as a Member, and Employer must pay the applicable Rates. Employer agrees to limit enrollment to Eligible Employees and their Dependents.

2.2.2 Any Employee who does not enroll in the Employer Plan during their first 60 days of employment with the Employer will not be Eligible to enroll until the next annual enrollment period.

2.2.3 Except as otherwise provided in this Agreement, enrollment and enrollment changes for existing Employees and their Dependents may only be made during an open enrollment period.

2.2.4 PEHP shall allow for a special enrollment period for specific circumstances listed in Section 2.2.5. The terms governing special enrollment for PEHP are also contained in the Master Policy attached hereto as part of Exhibit A.

2.2.5 Employer must notify PEHP within 60 days whenever there is a change in a Member's family and or employment status that may affect Eligibility or enrollment. Family or employment status includes the following events:

- a) Adoption of a child, birth of a child, or gaining legal guardianship of a child;
- b) Child loses Dependent status;
- c) Death;
- d) Divorce;
- e) Marriage
- f) Involuntary loss of other coverage;
- g) Member called to active military duty;
- h) Member receives a Qualified Medical Child Support Order (QMCSO);

- i) Reduction in employment hours;
- j) Member takes, returns from, or does not return from a leave of absence; and
- k) Termination of employment.

2.2.6 If Employer fails to notify PEHP within 60 days of a Member's termination from employment or other family and/or employment change that results in the loss of a Member's Eligibility, Employer agrees to promptly pay PEHP any amounts paid as Benefits for such Member after the Member became ineligible and before PEHP was notified.

2.2.7 PEHP agrees to supply certification of creditable coverage to all terminated Subscribers and their Eligible Dependents losing coverage in accordance with federal law. The terms governing certification and disclosure are contained in the Master Policy attached hereto as part of Exhibit A.

2.2.8 Employer hereby agrees the Effective Date for new Employees is based upon the Employer's enrollment polices as stated on the Group Renewal Form.

2.2.9 PEHP will enroll Dependents as a result of a valid court order. Any requirement for the Plan to comply with court orders, including Qualified Medical Child Support Orders (QMCSOs) and/or Divorce Decrees is Employer's responsibility. When Employer directs PEHP to enroll an individual on the basis of a court order, PEHP reserves the right to review and confirm that the order is qualified.

2.2.10 PEHP may decline to enroll Employees, former Employees, or Dependents who do not satisfy the Eligibility criteria of the Agreement. Also, PEHP may initially decline to issue coverage if Employer fails to meet the minimum enrollment or minimum contribution requirements.

2.3 Continuation of Coverage (COBRA / Mini-COBRA) and Conversion Coverage

2.3.1 Employer's Members who lose coverage under a Plan made available by PEHP may be permitted to continue such Coverage in accordance with the requirements of the Consolidated Omnibus Budget Reconciliation Act of 1986 (COBRA), or Utah mini-COBRA, Utah Code Ann. § 31A-22-722 (collectively, "Continuation Coverage").

2.3.2 Employer agrees to administer Continuation Coverage according to state and federal law. PEHP agrees to support and assist Employer in the administration of the Continuation Coverage. Employer agrees to provide sufficient documentation of a Member's Eligibility for Continuation Coverage. PEHP will determine if the documentation provided is sufficient.

2.3.3 Employer agrees to timely:

- a) notify PEHP of a Members' death;
- b) notify PEHP of a Member's termination of employment or reduction of hours, (Employer must notify PEHP if a termination is due to gross misconduct);
- c) notify PEHP of a Member's entitlement to the benefits under Title XVII of the Social Security Administration, which would cause the Member to lose coverage;

- d) notify PEHP of any other COBRA Qualifying Event that would affect a Member's Eligibility for coverage.

2.3.4 PEHP agrees that, at enrollment, termination of employment, or upon receipt of written notice of a COBRA Qualifying Event, in addition to Employer's function as COBRA plan administrator, to notify Members of their Continuation rights, if such rights exist, in accordance with state and federal law. PEHP will not be responsible to notify Members of their Continuation rights if PEHP does not receive notice from Employer of a Qualifying Event, as defined in the PEHP Master Policy, in a timely manner.

2.3.5 Domestic Partners are eligible for Continuation Coverage with PEHP if they would have otherwise been eligible for COBRA coverage as a Dependent as defined by PEHP and Employer in Appendix A.

2.3.6 PEHP agrees to provide Employer's Members notice of their Conversion rights in accordance with state and federal law. Employer's Members who lose coverage under a COBRA or a Mini-COBRA plan made available by PEHP may be permitted to enroll in a Conversion plan, in accordance with Utah Code Ann. § 31A-22-723.

2.3.7 PEHP and Employer agree that if this Agreement is terminated, Continuation Coverage with PEHP will terminate. Employer will be responsible for obtaining alternate coverage for those Members who are receiving Continuation Coverage.

2.3.8 PEHP agrees to bill and collect Rates from Members for Continuation and Conversion Coverage.

2.3.9 PEHP agrees to provide COBRA, Mini-COBRA, and Conversion Coverage for the minimum time and only to the minimum extent required by applicable state and federal law. PEHP will not provide Continuation or Conversion Coverage if Employer or the Member fails to strictly comply with all applicable notice and other requirements and deadlines.

2.4 Early Retiree Eligibility

2.4.1 Employer, at Employer's sole discretion, may offer the Employer Plan(s) to the Employer's Early Retirees and their Eligible Dependents according to Eligibility standards adopted by the Employer and provided to PEHP under the terms of this Agreement and attached in Appendix A. Employer shall make available to their Eligible Early Retirees copies of any rules, regulations, and restrictions limiting their options for coverage.

2.4.2 Early Retirees and Eligible Spouses, as specified in Appendix A, upon reaching age 65, and no longer working, will be eligible to convert their Early Retiree coverage to the Public Employees' Medicare Supplement Plan if they elect to enroll in Medicare Plans A and B.

2.4.3 Early Retirees and Eligible Spouses, as specified in Appendix A, upon reaching age 65, and no longer working, will be eligible to convert their Early Retiree coverage to Medicare Part D at any time.

2.4.4 The rate for Early Retiree coverage may be higher than the rate charged for active Employees. Specific rates may be included in Appendix A.

2.4.5 Termination of Early Retiree coverage does not constitute a qualifying under COBRA. If an Employee elects Early Retiree coverage, the Employee is not eligible for COBRA coverage thereafter.

2.5 Long-Term Disability Continuation of Coverage

2.5.1 Eligible Employees who are approved for long-term disability benefits with PEHP's Long-Term Disability Program under Utah Code Annotated, Title 49, Chapter 21 ("Disabled Employee"), are Eligible to continue coverage with PEHP until the earlier of: 1) the Disabled Employee is no longer receiving long-term disability benefits, 2) the Disabled Employee fails to make the required payment to PEHP each month as set forth below, 3) Employer cancels medical coverage with PEHP, or 4) the Disabled Employee or his/her spouse attains the age of 65.

2.5.2 Upon turning age sixty-five (65), the Disabled Employee or his/her spouse will be Eligible to continue with a PEHP-sponsored Medicare Supplement plan, but will be required to pay the full monthly Rate. The Disabled Employee or spouse who is younger than 65, or any other Eligible Dependents covered on the plan younger than 65, will remain Eligible for PEHP coverage until they meet one of the other criteria listed above or no longer meet Dependent Eligibility criteria.

2.5.3 Each Disabled Employee who qualifies for PEHP coverage must pay a portion of the monthly PEHP payment to remain Eligible for PEHP Benefits as set by PEHP and outlined in the Master Policy attached in Appendix A.

SECTION 3 – RESPONSIBILITIES OF EMPLOYER

3.1 In General

3.1.1 In addition to the responsibilities addressed throughout this Agreement, Employer agrees to the following responsibilities and obligations.

3.2 Rate Payments

3.2.1 Employer is responsible to collect and remit Rates to PEHP. By remitting Rates to PEHP, Employer certifies to PEHP that the Employer/Employee Rate share complies with the affordability standards of PPACA. Other than as required by state or federal law, nothing contained in this Agreement shall obligate the Employer to contribute any specific percentage of the contribution, nor to provide any specified credits for sick leave conversion, etc. to any Employee.

3.2.2 To the extent Employer requires its Employees to contribute to Rates, Employer agrees to collect those contributions from its Employees and remit the same to PEHP together with a copy of a remittance report. Such contributions and report will be submitted to PEHP monthly following the appropriate payroll dates. By remitting Rates, Employer certifies that all Employees meet the Eligibility requirements agreed upon under this Agreement.

3.2.3 Employer's obligation to pay the full Rates to PEHP is not contingent upon Employer's ability to collect any percentage of the Rates that Employer requires to be paid by Subscribers.

3.2.4 Rates will be considered late if received more than thirty days after the date of the corresponding invoice from PEHP.

3.2.5 Notwithstanding any other provision of this Agreement, if Employer is late in any required payment to PEHP, PEHP shall assess Employer a 5% penalty on late payments.

3.2.5 Notwithstanding any other provision of this Agreement, if Employer fails to pay a required invoice to PEHP within sixty (60) days after the date of the corresponding invoice from PEHP, PEHP shall immediately suspend payment of claims until payment is made in full; in such case, the Employer shall be responsible for any payment to Providers, including any late fees, as applicable; or immediately terminate this Agreement in accordance with Section 7.2.

3.3 Employment Verification and Status

3.3.1 To the extent Employer is responsible to determine Eligibility standards under this Agreement, Employer agrees to provide those standards to PEHP at least ninety (90) days prior to the start of the Plan Year, as provided in Section 2.1.

3.3.2 Employer agrees to verify employment status and date of employment information contained in any new applications filed by Employees, and Employer agrees to inform PEHP of any change in Employee or Dependent status or of the termination of coverage of any Employee or Dependent, including any COBRA Qualifying Events, on a semi-monthly basis, in accordance with Section 2.4.

3.3.3 It is the responsibility of the Employer to obtain and maintain updated, accurate records specifying enrollment information, Member files, Eligibility information, Effective Dates, and Employee status information. Employer agrees, to the extent requested by PEHP, to provide PEHP with current and updated copies of all completed enrollment forms and other documentation as deemed necessary by PEHP.

3.3.4 Payment of Rates shall constitute Employer's certification that Employer and all its Members meet the Eligibility standards as outlined in Utah Code Annotated Title 49, Chapter 20, and as established under this Agreement.

3.4 Compliance

3.4.1 Employer is responsible for its own compliance with applicable laws, rules, and regulations, including requirements to provide information to Members about their coverage. This includes all applicable requirements under PHSa, HIPAA, PPACA, COBRA, and any other state and federal requirements that apply to the Plan.

3.4.2 Employer agrees to notify PEHP when Employer receives Medicare secondary payer information.

3.4.3 Employer shall distribute to Employees all forms, documents, and notices as required by law (i.e. Summary of Benefits and Coverage, Benefit Summaries). In accordance with Section 4.4, PEHP may assist Employer in the production of such forms, documents and notices. Employer maintains sole responsibility to ensure compliance with federal law.

3.5 Miscellaneous

3.5.1 Employer certifies it is a political subdivision of the State of Utah and that both Employer and its Eligible Employees qualify to participate with PEHP, and Employer agrees to notify PEHP prior to its losing Eligibility to participate with PEHP.

3.5.2 It is Employer's responsibility to provide Subscribers a 30-day written notice of the Agreement's termination.

3.5.3 Except as modified in this Agreement, Employer shall be responsible for all tax consequences or penalties resulting from participation in the PEHP plans or programs.

SECTION 4 – RESPONSIBILITIES OF PEHP

4.1 Plan Services

4.1.1 Employer hereby agrees that it is the sole responsibility and right of PEHP to contract with, negotiate policies, procedures, and plan provisions, in reference to physicians, hospitals, facilities, corporations, or other service Providers. PEHP agrees to establish and maintain its usual hospital and physician relations activities, Subscriber service activities, investigative and claim review procedures, legal review and defense services, and shall take all reasonable measures to prevent the allowance and payment of improper claims for Employer.

4.1.2 PEHP shall provide Employer with all administrative services provided by PEHP to its other policy holders. A monthly fee for administrative services shall be included in the Rate amount, on a Per Member Per Month ("PMPM") basis, at the Rate specified in Appendix A.

4.1.3 PEHP shall provide Reinsurance coverage as provided for in Section 5. PEHP will charge a monthly reinsurance fee, on a PMPM basis, at the Rate specified in Appendix A. The reinsurance fee is included in the Employer Rate.

4.1.4 At Employer's request, PEHP may facilitate an on site medical clinic for Employer's employees in accordance with the terms in Appendix B.

4.1.5 PEHP shall make available to Members an electronic enrollment process via the www.pehp.org website. PEHP shall also furnish to the Employer appropriate enrollment forms for distribution to new Eligible Employees. Upon receipt and processing of enrollment information, PEHP will distribute identification/prescription cards and Benefit brochures to Subscribers.

4.2 Reporting

4.2.1 These reporting provisions are subject to the confidentiality provisions of Section 6.

4.2.2 PEHP shall provide Employer with regular reports of the total amount paid to Providers in Employer's risk pool.

4.2.3 If Employer employs over 100 Subscribers, PEHP shall provide Employer with Employer-specific quarterly utilization reports. These Employers may request additional ad hoc reports as needed. However, to the extent that any specific requested reports may be unique and costly to produce, Employer agrees to pay PEHP the reasonable cost of assembling and preparing such additional information and reports, so long as the cost of any such report has been made available to Employer in advance and Employer has agreed in writing to pay such costs. PEHP may decline to produce reports if PEHP determines that doing so would violate state or federal law.

4.2.4 If Employer employs over 100 Subscribers, Employer and/or its designated Business Associates, as defined by HIPAA, shall be entitled, upon written request from Employer, to receive a copy of individual data pertaining to Employer in accordance with Utah Code Ann. § 49-11-618 and applicable Board resolutions for the sole purpose of reviewing claims and utilization experience for individuals covered by the program. PEHP shall not provide diagnosis information unless specifically requested by Employer, and Employer has demonstrated to the satisfaction of PEHP that the individual diagnosis is essential to the review process, in which case, PEHP may require a separate release statement. Employer hereby agrees to never share or otherwise divulge this individual data to any other person or unit of government, unless subpoenaed by a court or governmental entity having proper jurisdictional authority. When requesting this data, Employer will designate an officer or employee responsible for receipt and custody of the data and hereby agrees to indemnify and hold PEHP harmless against any claims, loss, damage, injury or other liability resulting from the disclosure of confidential medical data by any officer or employee of Employer.

4.2.5 Subject to the foregoing provisions, PEHP may provide specialized or additional reports to Employer, at Employer's request. PEHP may charge a fee to Employer for such special reporting requests as negotiated between the parties.

4.3 Record Retention and Review

4.3.1 PEHP shall maintain, or cause to be maintained, records covering claims submitted to PEHP hereunder as well as payment disbursed by it. The records shall be maintained for the same period of time that PEHP retains like records in connection with its claims administration.

4.4 Claims Payment, Customer Service and Appeals

4.4.1 PEHP shall adjudicate claims within forty-five (45) days upon receipt of all information necessary to accurately make a claim determination pursuant to PEHP's policies and procedures. Necessary information to adjudicate claims shall include, but is not limited to, information regarding coordination of benefits ("COB") from the primary insurance carrier, if applicable.

4.4.2 PEHP shall notify Members of paid or rejected claims and the reason for the rejection through an explanation of benefits, which shall be sent within one (1) week of PEHP's adjudication of the claim.

4.4.3 PEHP shall advise and aid claimants in meeting requirements for additional information and proper completion of claim forms.

4.4.4 PEHP shall maintain customer service staff and telephone numbers to provide information and response to inquiries of Members regarding program coverage and Benefits as well as specific information concerning claims, such as: status of claim, date paid/denied, amount, and Provider.

4.4.5 PEHP shall provide a website with general Plan information, specific claims information, and cost tools for evaluating and finding Providers.

4.4.6 PEHP shall discuss claims, where applicable, with physicians and other Providers of services.

4.4.7 PEHP shall obtain and furnish information, as necessary, regarding non-duplication of payment or COB.

4.4.8 PEHP will correct payment of claim errors for up to 12 months following the adjudication of a claim. For claims involving COB, PEHP will have up to 15 months following the adjudication of such claims to make adjustments. These time frames will not apply in instances where PEHP determines that the claims were paid due to fraud.

4.4.9 PEHP shall provide a claims adjudication and appeals process to resolve any disputes regarding Benefits under this Agreement. Members and Providers are required to cooperate with this process in any dispute with PEHP as outlined in the Master Policy attached in Appendix A.

4.4.10 PEHP shall provide additional Member Services, including Case Management, Disease Management, and Wellness Programs.

4.4.11 If Employer requests for correctly-paid claims to be reprocessed, Employer agrees to pay the administrative costs of reprocessing in accordance with PEHP's policies and procedures.

4.5 Information for Members

4.5.1 Employer, with cooperation from PEHP, shall produce any required forms or documents required by law to be distributed to Employees. Employer shall bear the responsibility to distribute such documents, in accordance with Section 3.4. PEHP may assist Employer with creation and production of documents, as specified in this Section.

4.5.2 PEHP shall assist Employer in its distribution by making available Plan-specific Benefits Summaries, Master Policies, Rates, forms and documents online at www.pehp.org, which will include the ability for Members to check status of claims and other information.

SECTION 5 – FUNDING

5.1 Self-Funded Status

5.1.1 Employer acknowledges and agrees that through this Agreement Employer participates in a self-insured plan, and that plan is part of a self-insured risk pool. Employer maintains the financial risk associated with that plan and the risk pool. Such risk includes, but is not limited to claims expenses for covered Benefits and any interest required to be paid.

5.1.2 Risk pool reserves held by PEHP are owned by, returned to, and credited for interest earnings to Employer in accordance with Section 5.3 and Appendix A.

5.2 Establishment of Rates

5.2.1 PEHP shall have sole discretion to determine Rates, which are set forth in Appendix A. The Rates will remain the same until the end of the plan year. However, upon notice to Employer, PEHP may reasonably modify the Rates mid-year if federal or state laws or regulations mandate an adjustment of Benefits under the Agreement, or if contingency reserves fall below the level required by the PEHP actuary.

5.2.2 It is understood and agreed that Appendix A outlines the Rates to be paid by Employer for the Plan(s) in which Employer participates during the current term. Rates include administrative fees and reinsurance fees as determined necessary by PEHP, and as listed in Appendix A. The PEHP rate setting process takes into account all of the health experience of the Employer, including but not limited to, the

health experience of Employees, Dependents, Early Retirees, LTD Participants, and other Members covered under active, early retiree, and/or COBRA Coverage.

5.2.3 It is further understood and agreed that PEHP will provide notice to Employer of estimated regular Rate changes ninety (90) days prior to the end of the contract term, with the Rate change to be effective on the date of renewal of the plan year.

5.2.4 Notice of Rate increases relating to Medicare Supplement programs offered by PEHP will be provided by PEHP unless Medicare benefits change information has not yet been made available to PEHP by the Medicare authorities. All changes will become effective on January 1 of each year.

5.3 Reserves

5.3.1 Pursuant to Utah Code Annotated § 49-20-301, PEHP plans “shall be maintained on a financially and actuarially sound basis by payments from covered employers and covered individuals.” Utah Code Annotated § 49-20-402(1) provides, “The reserves in a risk pool in a given fiscal year shall be maintained at the level recommended by the program’s consulting actuary and approved or ratified by the Board. If the reserves drop below that level, covered employers in the risk pool are required to cure any deficiency in the reserve.”

5.3.2 PEHP shall provide Employer with reserve recommendations from its consulting actuary upon request from Employer. PEHP shall provide Employer with financial statements regarding the level of reserves in Employer’s risk pool.

5.3.3 If the reserves in Employer’s risk pool drop below the recommendation of the consulting actuary, Employer shall be responsible to pay the difference (or the pro-rata difference if Employer is in a multi-Employer risk pool) to PEHP within fifteen (15) days following the request. In the case of a deficit in reserves, Employer agrees to pay PEHP interest of 1% per month for each month after the end of the month in which Employer maintains a deficit.

5.3.4 PEHP, upon recommendation of its consulting actuary, shall determine when “substantial excess reserves” have been accrued in accordance with Utah Code Annotated § 49-20-402. In such a case, and upon Board approval, PEHP shall refund reserves to Employer (on a pro-rata basis if Employer is in a multi-Employer risk pool) in a manner approved by the Board.

5.4 Claims Reinsurance

5.4.1 All Employers participating in PEHP health plans shall participate in a self-funded PEHP Reinsurance Risk Pool governed by the Utah State Retirement Board (the "Board"), as described in Appendix A.

5.4.2 The reinsurance fee associated with the PEHP Reinsurance Risk Pool is included within the Employer’s Rate and includes both a specific stop loss and aggregate reinsurance cost. The

Reinsurance fee is set forth in Appendix A. Reinsurance fees are not self-insured, and the Employer shall have no recourse to recover any of these amounts paid.

5.5 Administrative Costs

5.5.1 Employer is responsible to pay its share of administrative costs on a PMPM basis. The administrative fee is included in the Employer Rate, according to the schedule in Appendix A. Administrative fees are not self-insured, and Employer shall have no recourse to recover any of these amounts paid.

SECTION 6 – CONFIDENTIALITY

6.1 HIPAA. The parties agree that the acts, duties and obligations required by this Agreement shall be performed in compliance with the Privacy and Security Rules as promulgated under HIPAA.

6.2 Utah Law. Employer understands that under Utah Code Annotated § 49-11-618, “All data in the possession of [PEHP] is confidential, and may not be divulged by [PEHP] except as permitted by board action.” Employer acknowledges and agrees that this Agreement is subject to this rule of confidentiality.

6.3 Definition of Data. For the purpose of this Agreement, "data" means any information pertaining to Employer’s participation with PEHP, Plan Rates, this Agreement, PEHP or its business practices, or the personal health information (as defined by federal law) of any individual participating in the Plan administered by PEHP.

SECTION 7 – TERM AND TERMINATION

7.1 Term of Agreement

7.1.1 Unless sooner terminated as herein provided, this Agreement shall be effective for a one year term and pertain to claims incurred during the period January 1, 2025 through December 31, 2025.

7.1.2 This Agreement shall be renewed automatically for one year terms unless Employer notifies PEHP of its intent to terminate as provided herein.

7.2 Termination

7.2.1 This Agreement, and coverage for all Members under this Agreement, can terminate for the reasons listed below.

7.2.2 This Agreement may be terminated by Employer by providing PEHP with written notice prior to the Employer’s open enrollment period for the next one year term. PEHP will not accept retroactive termination dates.

7.2.3 PEHP may immediately terminate Employer's coverage upon written notice if PEHP determines that Employer is in breach of this Agreement. The following circumstances constitute a breach:

- a. Employer fails to pay the required Rates in accordance with this Agreement;
- b. Partial payment will be treated as nonpayment unless PEHP, at its sole discretion, indicates otherwise in writing;
- c. Employer performs an act or practice that constitutes fraud or makes an intentional misrepresentation of material fact under the terms of the coverage;
- d. Employer's status changes to an entity that is not a political subdivision of the State of Utah;
- e. Employer's membership in an entity through which this Agreement was made available ceases; or
- f. Employer fails to satisfy the minimum Employer participation requirements in Section 2.1.6 of this Agreement.

7.2.4 Employer agrees that if proper written notice of termination is not given within the designated time parameters, a penalty of up to one percent (1%) of total annual Rate may be assessed on Employer at the sole discretion of PEHP.

7.2.5 It is Employer's responsibility to provide Subscribers a 30-day written notice of the Agreement's termination. PEHP will provide a sample notice upon request.

7.2.6 Upon termination or expiration of this Agreement, PEHP shall continue to process and pay claims for services obtained or charges incurred by Employer's Members prior to the date of termination or expiration of this Agreement for a period of 12 months after the date of termination ("Run-Out Period"). PEHP shall not pay for Services obtained or charges incurred after the date of termination, regardless of when a condition arose and despite care or treatment anticipated or already in progress.

7.2.7 If Employer breaches this Agreement in accordance with Section 7.2.3 of this Agreement, which results in termination of this Agreement, PEHP shall pay no further claims, regardless of the date incurred. Employer shall be responsible for any such claims. Employer shall be responsible to pay PEHP for all reinsurance and administrative costs due prior to the date of termination, regardless of any other provision in this Agreement.

7.2.8 Upon termination of this Agreement, Employer shall be responsible for any deficits in the risk pool as determined by PEHP.

SECTION 8 – GENERAL TERMS

8.1 Interpretation. The attached Appendices are complementary to this Agreement and what is called for by any one of them shall be binding as if called for by all. In the event of any inconsistency between the provisions of the Agreement and the documents accompanying this Agreement, the inconsistency shall be resolved by giving precedence first to the Appendices and then to this Agreement. This Agreement will be interpreted and enforced according to the laws and regulations of the State of Utah and any applicable federal laws or regulations. If an inconsistency exists between the Agreement and any

applicable law, this Agreement will be construed to include the minimum requirements of the applicable law.

8.2 Indemnification. PEHP agrees to indemnify Employer from and against any claims or other liability, including attorney fees, based upon PEHP's failure to comply with its obligations under the Agreement. Employer agrees to indemnify PEHP from and against any claims or other liability, including attorney fees, based upon Employer's failure to comply with its obligations under the Agreement.

8.3 Amendment and Assignment. As benefits under this Agreement may be modified from year to year, this Agreement may be modified or amended unilaterally by PEHP within 30 days prior to a new plan year by providing Employer with written notice of the Amendment. If Employer objects to any unilateral amendments, Employer shall inform PEHP in writing to its objection within 30 days of receipt of the amendment. At all other times of the plan year, and for all other amendments or modifications to this Agreement, this Agreement shall be amended only by a written instrument executed by duly authorized officers of the parties hereto. This Agreement may not be assigned by either party without the written consent of the other party.

8.4 Default. If either party defaults in the performance of this Agreement or any of its obligations hereunder, the defaulting party shall pay all costs and expenses, including reasonable attorney's fees, which may arise or accrue from enforcing the Agreement or from pursuing any remedy provided hereunder.

8.5 Force Majeure. Neither party will be responsible for a delay in performing its obligations under the Agreement due to circumstances reasonably beyond its control, such as natural disaster, epidemic, riot, war, terrorism, or nuclear release.

8.6 Dispute Resolution. This Agreement is entered into in the State of Utah and shall be governed by the laws of said state, notwithstanding any conflicts of laws principles. Any dispute arising out of this Agreement will be subject to the exclusive jurisdiction of the administrative hearing process found in Utah Code Annotated § 49-11-613.

8.6 Conflict of Interest. PEHP represents that it has not knowingly influenced, and hereby promises that it will not knowingly influence, an Employer officer or employee, or former Employer officer or employee, to breach any ethical standards applicable to Employer. Employer represents that it has not knowingly influenced, and hereby promises that it will not knowingly influence any PEHP officer or employee or former PEHP officer or employee to breach any ethical standard applicable to PEHP.

8.7 Severance. In the event any portion of this Agreement is determined to be unconstitutional, unlawful or otherwise unenforceable in the State of Utah, only the unconstitutional portion of the Agreement will be severed and the remaining portion of the Agreement will continue in effect and be binding on the Parties, provided that such holding of invalidity or unenforceability does not materially affect the essence of the Agreement.

8.8 Notice.

8.8.1 Any notice required herein of PEHP shall be addressed to Employer at the address listed in Appendix A, and when required of Employer, shall be addressed to PEHP, Marketing Department, Public Employees' Health Program, 560 East 200 South, Salt Lake City, Utah 84102-2004, or kurt.murray@pehp.org (or current Marketing Manager).

8.8.2 All required notices shall be sent by at least first-class mail or electronic mail.

8.8.3 Any notice PEHP is required to send will be sufficient if:

- a. For notice to Employer, notice is sent to the address listed in Appendix A;
- b. For notice to a Subscriber, notice is sent to the address PEHP has on record; and
- c. For notice to a Dependent, notice is sent to the Subscriber.

8.8.4 Any notice Employer is required to send will be sufficient if sent to the address listed above.

8.9 Waiver. Failure by either party to insist upon strict compliance with any part of this Agreement or with any procedure or requirement will not result in a waiver of its right to insist upon strict compliance in any other situation.

8.10 Workers' Compensation Insurance. The Agreement does not provide or replace workers' compensation coverage for Employer's Employees. Employment-related injuries are not covered under the Agreement.

8.11 Relationship of the Parties. This Agreement is a contract for services and does not create an agency relationship. Employer does not have the authority to act as PEHP's agent. PEHP is not Employer's agent for any purpose.

SECTION 9 – DEFINITIONS

9.0 In General. This Agreement contains certain defined terms that are capitalized in the text and described in this Section. Words that are not defined have their usual meaning in everyday language.

9.1 Agreement. This Employer Health Insurance Agreement, including the Employer Application and all other documents expressly referred to and incorporated by reference.

9.2 Benefit(s). The payments and privileges to which Members are entitled by this Agreement.

9.3 Continuation or COBRA Coverage. Coverage required by the Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA) and/or coverage allowed under Utah Code Annotated § 31A-22-722 (Mini-COBRA).

9.4 Conversion Coverage. Coverage provided under Utah Code Annotated § 31A-22-723.

9.5 Dependent(s). An Employee's lawful spouse (or Domestic Partner if allowed by Employer) and any child who meets the Eligibility criteria under this Agreement.

9.6 Domestic Partner. If Employer accepts Domestic Partners as Dependents, the qualifications agreed upon by Employer and PEHP will be included in Appendix A.

9.7 Early Retiree. A former Employee of Employer who is under age 65 and who meets Employer's Eligibility criteria as defined by Employer in Appendix A.

9.8 Effective Date. The date on which coverage for a Member begins.

9.9 Employee. An individual employed by Employer.

9.10 Employer Plan (or "Plan(s)"). The group health and/or other Benefit plan(s) elected and sponsored by Employer under this Agreement and attached in Appendix A.

9.11 Eligible, Eligibility. The criteria or standards, established by Employer and/or PEHP under this Agreement and Appendix A, in order to participate in a PEHP health plan.

9.12 HIPAA. The Health Insurance Portability and Accountability Act found at 45 C.F.R. §§ 160 and 164, as amended.

9.13 Master Policy. The document(s) considered part of this Agreement, which describe(s) the terms and conditions of the health insurance Benefits with PEHP, including the Benefit Summary, and which is available online at the address listed in Appendix A, or by request.

9.14 Member. As defined in the Master Policy attached in Appendix A, a Subscriber, including an Employee, Early Retiree, LTD Participant, COBRA Participant, Conversion Coverage Participant, and any Dependent, when properly enrolled in the Plan and accepted by PEHP.

9.15 PHSA. The Public Health Service Act of 1944, codified in United States Code, Title 42, as amended.

9.15 PPACA. The Patient Protection and Affordable Care Act, Pub. L. No. 111-148, as amended, including the Health Care Education Reconciliation Act of 2010, Pub. L. No. 111-152, as amended.

9.16 Provider. A vendor of healthcare Services as defined in the Master Policy.

9.17 Rate(s). The amount paid periodically by Employer and/or Subscribers to PEHP as consideration for providing Benefits under the Plan. The Contribution rate is specified in Appendix A.

9.18 Service(s). Services provided by a Provider, including medical practices or care, treatment, tests, supplies, equipment, devices, or drugs.

9.19 Subscriber. An Employee that enrolls with PEHP, as defined in the Master Policy.

SECTION 10 – SIGNATURE PAGE

EXECUTED this _____ day of _____, 20__.

UTAH RETIREMENT SYSTEMS
PUBLIC EMPLOYEES HEALTH PROGRAM



By _____

Chet Loftis
Director, Public Employees Health Program

EXECUTED this _____ day of _____, 20__.

[Employer Name]

By _____

[Name]
[Title]

APPENDIX A

Plan Year: January 1, 2025, through December 31, 2025.

A-1 Benefits

A Employer Plans/Programs

Master Policy & Benefit Grid – members can access at www.pehp.org or on Employer’s website.

Summary of Benefits & Coverage (SBC) – members can access at www.pehp.org or on Employer’s website.

Provider Directory - Provider directories for the Employer plans are found online at www.pehp.org. Provider directories are subject to change without notice. PEHP shall make reasonable efforts, as determined by PEHP, to inform Employer and Members if a material disruption shall occur to provider networks during the term of this Agreement.

Wellness Programs

PEHP offers the Healthy Utah wellness program for Employer. If Employer elects to offer additional wellness programs to employees, Employer shall be solely responsible for any federal law compliance related to such additional program, included taxability of rebates and tracking applicable wellness limits for employees.

By participating in PEHP’s Healthy Utah wellness program, Employer understands that PEHP will provide incentives and rebates to Member in conjunction with that program. PEHP will withhold taxes from those rebates in accordance with federal law requirements. These Member incentives are paid as claims from the Local Governments Risk Pool.

In addition to Member incentives, PEHP Healthy Utah may also incentivize Employers to encourage worksite wellness programs and activities through mini-grants and work well-being awards. These employer incentives are provided by PEHP through PEHP’s administrative costs, and not funded through the Local Governments Risk Pool reserves. While PEHP makes every effort to ensure these Employer incentives comply with Utah and federal law, Employer maintains sole responsibility regarding the appropriation and disbursement of these funds, and PEHP shall maintain no liability regarding these funds once provided to the Employer.

Domestic Partner

Employer has elected to provide coverage to Employer domestic partners.

Domestic Partner means a person selected by an employee and meets the following criteria:

1. Resides in the same domicile with the employee for the past 12 consecutive months and intends to remain so;
2. Is at least 18 years of age;
3. Is not related to the employee in a way that would disqualify the individuals from being legally married under Utah law; and
4. Provides evidence to the employer that the Domestic Partner is dependent upon, or is mutually dependent with the employee.

Acceptable evidence shall include either: a) Any Internal Revenue Service form defining the Domestic Partner as a dependent; or b) Any three of the following four documents:

- (i) A joint loan obligation, mortgage, lease or joint ownership of a vehicle;
 - (ii) A life insurance policy, retirement benefits account, mutually granted power of attorney for healthcare or financial management, or a Will designating the Domestic Partner as beneficiary thereto, or Will of the employee or the Domestic Partner which designates the other as executor;
 - (iii) Proof showing that the employee or Domestic Partner is authorized to sign for purposes of the other's bank or credit account;
 - (iv) Proof of a joint bank or credit account.
5. Employer shall be solely responsible for determining the eligibility of domestic partners in accordance with this Agreement. Employer must maintain sufficient evidence of records to show eligibility for domestic partners.
 6. Employer shall be solely responsible to PEHP for any amounts incurred by ineligible domestic partners which were not eligible under this Agreement.
 7. Employer acknowledges that it shall be solely liable for any tax consequences related to domestic partners, and that PEHP maintains no responsibility of any kind for any taxes which may be owed. The Employer understands that it may need to impute income to the Employee if the domestic partner does not qualify as a tax dependent under federal law.

Legal Guardianship

Employer has elected to allow children under guardianship to remain covered by PEHP between ages 19-26 like natural born children. In order to continue enrollment, the guardian child must have been enrolled on the Employer's coverage prior to being 18 years of age and otherwise have met the qualifications for coverage as a guardian child. PEHP shall inform the Employer if a guardian child over the age of 19 has enrolled with PEHP on the monthly bill to Employer. The Employer understands that it may need to impute income to the employee if the guardian child does not qualify as a tax dependent under federal law. Employer acknowledges that it shall be solely liable for any tax consequences related to coverage of a guardian child over the age of 19, and that PEHP maintains no responsibility of any kind for any taxes which may be owed as a result of this coverage.

Early Retiree

Employer may elect to provide Early Retiree benefits to its Early Retirees. PEHP shall only enroll Employer's retirees if the following conditions are met:

1. Employer takes official action (i.e. City Council resolution; board action; etc.) to adopt an early retiree benefit policy and provides such policy to PEHP. Such policy shall define the eligibility standards for early retirees, including the time frames associated with early retiree coverage.
2. PEHP shall accept early retirees prospectively from the date of the official action forward. Employer acknowledges that early retirees are not eligible for continuing benefits (COBRA or mini-COBRA) after their early retiree period.
 - a. Early retiree rates shall be 102% of the active employee monthly rate prior to 18 months.
 - b. 130% of the active employee monthly rate after 18 months.
3. Employer shall pay all rates associated with early retirees. Any amounts owed by early retirees for coverage, shall be collected by Employer.

B Vesting Standards for LGRP

1. Employer hereby acknowledges that it participates in the Local Governments Risk Pool ("LGRP") sponsored by PEHP, which is a multi-employer self-funded risk pool. Participation in the LGRP requires meeting PEHP's vesting requirement, which include:
 - a. An Employer is vested with PEHP when either:
 - i. the Employer provides two years of specific plan benefits and claims costs to PEHP to appropriately determine rates; or
 - ii. the Employer continuously participates with PEHP in the LGRP for three years.
 - b. If an Employer is vested with PEHP, the Employer may terminate this agreement with no further obligation to LGRP. At the time of termination, the Employer shall not receive any LGRP reserve funds, and shall not pay any deficits incurred or paid by Employer to LGRP.
 - c. If Employer is not vested with PEHP and terminates this Agreement before becoming vested, Employer will immediately pay PEHP for any deficits incurred during its participation with LGRP. Deficits mean the difference between claims paid by PEHP, including administrative costs, and the rates paid by Employer, including all Employer allocated investment earnings or deficits. Deficits shall be solely determined by PEHP. Any calculations regarding deficits will include Employer's claims presented and paid by PEHP over the 12 months following Employer's termination of this Agreement.
 - d. Any surpluses attributable to the Employer (when rates exceed premiums), whether vested or non-vested, will remain with PEHP for the benefit of the Employers participating in the LGRP.

2. Employer IS NOT deemed vested by PEHP.

C Reinsurance

1. Each Employer shall participate in the PEHP Reinsurance Risk Pool and pay the applicable fees for such services. Reinsurance fees are included in the Employer's Rate, as outlined in Appendix Section A-2. The PEHP Reinsurance Risk Pool covers for the Employer:
 - a. Medical and pharmacy claims eligible under this Agreement and the Master Policy, according to the following limits and subject to the exclusions herein;
 - b. Large claims exceeding \$100,000 annually, calculated on an incurred in 12 months and paid in 15 months basis (specific stop loss coverage);
 - c. Aggregate risk pool claims that total between 120% to 135% of expected risk pool claims (aggregate stop loss coverage); and
 - d. Other purposes that PEHP and the Board may approve.
2. The PEHP Reinsurance Risk Pool specifically excludes coverage for any claims incurred:
 - a. Outside of the eligibility standards of this agreement or the Master Policy;
 - b. For benefits not specifically covered by the Master Policy;
 - c. That are excluded by PEHP's commercial reinsurance carrier;
 - d. By an Employee or Eligible Dependent who has committed fraud, criminal acts, or other breach of the Master Policy, as described in Section 2.1.7 of this Agreement; or
 - e. That are approved by Employer for processing and payment, despite being ineligible for payment under this Agreement, the Master Policy or the Employer plan benefit documents that have been approved by PEHP.
3. If the Employer approves claims or benefits not covered by this Agreement or the Master Policy, the Employer shall be responsible for all claims expenses associated with such charges. Notwithstanding any other provision of this Agreement, PEHP shall have no liability to pay any claims, benefits or make other payments that are not specifically stated in this Agreement or the Master Policy.
4. PEHP shall evaluate claims and pay reinsurance amounts on a monthly basis. PEHP shall pay claims which are paid under the Employer's plan year in accordance with the PEHP Master Policy.

A-1 ACA Reporting

D. IRS Reporting

1. Employer hereby asserts to PEHP that it is an “applicable large employer” as defined by federal law for ACA reporting purposes.
2. Employer agrees to provide PEHP with the necessary information, as solely determined by PEHP, and in a manner approved by PEHP, to accurately and timely comply with the above federal law reporting requirements. Such information may include, but is not limited to,
 - a. The employment status of full-time employees;
 - b. A designation of whether an employee is full-time employee as determined by federal law;
 - c. The eligibility for health coverage for full-time or non-full-time employees;
 - d. The amount of premium share the eligible employee would have to pay for the lowest cost single health coverage plan;
 - e. Social security numbers for dependents enrolled in the health coverage.
3. PEHP shall inform Employer of the reporting requirements and provide Employer a format and time deadline in which Employer must provide the necessary information to PEHP.
4. PEHP agrees to fill out all required reports under ACA Section 6055 and 6056 to the IRS, as well provide Employer’s full-time employees with the required notification. PEHP will work with employers to file the required reports.
5. The parties understand and agree that PEHP shall fill out these notifications and reports based on the information Employer provides to PEHP. Under no circumstances shall PEHP be responsible for any liability, penalty or damages of any kind or imposed by any entity for the Employer’s failure to provide timely, accurate or complete information to PEHP. PEHP’s liability in producing these reports, if any, is solely and strictly limited to those penalties imposed by federal law for reporting violations. As required by federal law, Employer shall be solely liable for any tax penalties imposed under IRC Section 4980H. PEHP shall never be liable to Employer for any damages, penalties or any other available remedy for a violation(s) of the ACA reporting requirements.
6. Failure by the Employer to provide timely or accurate information to PEHP as PEHP reasonably requests may, at PEHP’s sole discretion, void the obligations of PEHP under this Appendix A-1, D. In such a case, Employer shall remain responsible for any and all reporting requirements under federal law.

A-2 Rates

Summit & Advantage Traditional Option 3	\$711.36	\$1472.50	\$1991.78
Summit & Advantage STAR HSA Option 3	\$582.32	\$1205.38	\$1630.46

A-3 Additional Terms

- A Following termination of this Agreement, PEHP shall pay claims incurred prior to termination of this Agreement for 12 months.
- B Conflict of Interest – Employer acknowledges that PEHP is a public employer, and that no employee or officer is related to any employee or officer of PEHP within two degrees of consanguinity except as has been previously disclosed to PEHP.
- C Additional Reporting Requests - PEHP shall provide regular reports to Employer as described in the Agreement. PEHP may provide additional reports to Employer as negotiated between Employer and PEHP. If such additional reports are agreed upon and authorized by PEHP, Employer agrees to pay PEHP the reasonable costs of producing such reports at the rate of \$20/hour and \$.10/page for printed reports.
- D Notice to Employer – Address

2460 Kilby Road
Park City, UT 84098

A-4 Employer Portal

The PEHP Employer Portal through the website www.pehp.org is available for Employers 24 hours per day, seven days a week at no additional administrative charge to Employer. PEHP may temporarily suspend PEHP Employer Portal access and services at its discretion for maintenance or other quality control issues.

Employer will use PEHP Employer Portal in a manner consistent with applicable laws. Employer is solely responsible for all use of Employer’s PEHP Portal website account and for any violation of the terms of this section.

For purposes of this section, Employer’s “use”

(a) means

- (i) use by Employer’s employees, agents or contractors;
- (ii) use by Employer’s employees, agents or contractors, who following their separation from employment or engagement from Employer were enabled by the use of Employer’s signature obtained in their employment or engagement;
- (iii) use by any person who obtains Employer’s signature because of Employer’s negligence; and
- (iv) use by any person who obtains Employer’s signature from any person described in (i), (ii) or (iii) above; and

(b) specifically excludes the unauthorized use of Employer’s PEHP Employer Portal website account by any person who is not described in (a)(i) – (iv) above or who accesses or uses Employer’s signature without authorization from Employer.”