

**SANPETE COUNTY COMMISSION MEETING**

**April 17, 2012, 2:00 P.M.**

Sanpete County Courthouse, 160 North Main, Room 101, Manti, Utah

Present are: Commission Chair Claudia Jarrett, Commissioners Spencer Cox and Steve Frischknecht, County Attorney Brody Keisel, and County Clerk Sandy Neill.

Meeting is called to order by Commission Chair Claudia Jarrett.

**CLAIMS**

Deputy Auditor Suzau Richardson is present. Motion is made by Commissioner Cox to approve payment of claims #328215 through #328307. The motion is seconded by Commissioner Frischknecht, and the motion passes. Motion is made by Commissioner Cox to approve payment of claims #328308 through #328358. The motion is seconded by Commissioner Frischknecht, and the motion passes.

**ADOPTION OF RESOLUTION TO ADOPT HRA PLAN WITH NATIONAL BENEFITS SERVICES**

Motion is made by Commissioner Cox to adopt a resolution that amends the HRA plan with National Benefit Services to allow 90 days rather than just 60 days to submit claims. The motion is seconded by Commissioner Frischknecht, and the motion passes.

**APPROVAL TO PAY ECO LIFE FOR TERMITE TREATMENT**

Motion is made by Commissioner Frischknecht to approve the payment of \$1,595.00 to EcoLife for the treatment of termites at the health department building. The motion is seconded by Commissioner Cox, and the motion passes.

**APPROVAL TO PAY GUNNISON CITY FOR RESOURCE OFFICER**

Motion is made by Commissioner Cox to approve the payment of \$12,000.00 to Gunnison City for half of the services of the South Sanpete School Resource Officer. The motion is seconded by Commissioner Frischknecht, and the motion passes.

**APPROVAL TO PAY THE STATE OF UTAH FOR THE MOBILE LIBRARY SERVICE CONTRACT**

Motion is made by Commissioner Frischknecht to approve the payment of \$41,916.00 to Utah State Library Division for Mobile Library Service. The motion is seconded by Commissioner Cox, and the motion passes.

**APPROVAL TO PAY CROSS MATCH TECHNOLOGIES FOR FINGERPRINT PRINTER WITH DUPLEXER**

This purchase was approved in July of 2010 in the amount of \$2,126.00. It was discovered that more was needed to complete the system. The set for the printer was completed in October of 2011. The invoice was received in March 2012. Motion is made by Commissioner Frischknecht to approve the payment of \$2,531.00 to Cross Match Technologies for fingerprint printer with duplexer. The motion is seconded by Commissioner Cox, and the motion passes.

**KEVIN CHRISTENSEN: APPROVAL OF TRAVEL COUNCIL EXPENDITURES**

Kevin Christensen is present. The travel council has approved the following 3 projects. A 30 minute outdoor travel show will be aired three times in June on KJZZ tv at a cost of \$5,000.00. Advertising will be sold to local entities to help recoup as much of the costs as possible. Information about Yuba State Park will be sent to 7,500 to 8,000 boat owners at a cost to the County of \$1,499.00. (State Parks paid \$1,499.00 also.) Trail maps will be printed and mailed to RV owners at a cost of \$10,939.26. Motion is made by Commissioner Cox to approve the expenditures of \$5,000.00, \$1,499.00 and \$10,939.26 for economic development in Sanpete County. The motion is seconded by Commissioner Frischknecht, and the motion passes.

**TOM PETERSON: UPDATE ON TITLE III, APPROVAL TO PURCHASE EQUIPMENT**

Tom Peterson is present. He received 3 bids for a trailer to be used for mitigation, and 1 withdrew their bid. He also received bids for other needed equipment. Motion is made by Commissioner Frischknecht to approve the purchase of the trailer from White Brothers for \$3,800.00 plus the cost of a spare tire. The motion is seconded by Commissioner Cox, and the motion passes. Motion is made by Commissioner Frischknecht to approve the purchase of saws, cutter and other equipment from American Car Care for \$4,929.00. The motion is seconded by Commissioner Cox, and the motion passes. The funds come from Secure Rural Schools Title 3 money. The state's fuel crews will be working on the projects with help from volunteers from the communities.

**KEN BENCH AND WAYNE LARSEN: APPROVAL TO PURCHASE HARDWARE TO RUN STATE MANDATED CAMA (CCI) SOFTWARE**

Ken Bench and Wayne Larsen are present. The state has mandated that the counties switch to this CAMA software. New hardware will be needed to run it. CCI recommends that we purchase \$15,000.00 to \$20,000.00 worth of hardware to run this. Sanpete County will only have 5 or 6 people using the system, so we will not need that large of a system. Three or four of the PAMS counties are requesting that MCAT give them some funding to be used for the hardware purchase. The assessor can come up with \$2,500.00 from his budget for this, and the IT budget can match that. Motion is made by Commissioner Cox to approve the purchase of the new server and related expenses at a cost of \$8,069.87. The motion is seconded by Commissioner Frischknecht, and the motion passes.

**STAN BLANK: PAYMENT SCHEDULE AND REMOVE 22456SH219 FROM THE MAY TAX SALE**

Mr. Blank did not appear. This will be placed on a future agenda.

**APPOINT SHAREE JENSEN AND REAPPOINT ANITA PORT TO THE SANPETE COUNTY MOBILE LIBRARY BOARD**

Motion is made by Commissioner Frischknecht to appoint Sharee Jensen and reappoint Anita Port to the Sanpete County Mobile Library Board. Both terms will end in May, 2015. The motion is seconded by Commissioner Cox, and the motion passes. Sharee Jensen will replace Rory Hansen.

**PUBLIC HEARING TO CONSIDER AND ADOPT A PROPOSAL TO AMEND THE 2001 SANPETE COUNTY LAND ORDINANCE (SCLO) BY ADDING A CLUSTER SUBDIVISION ORDINANCE**

Scott Olsen is present. Density bonuses are built into the proposed cluster subdivision ordinance. Kevin Christensen explains that this allows small lots in the subdivision to be sold, allowing agriculture to continue on the larger remaining parcel. Property cannot be subdivided if part of the property is in another zone. Jon Woodward asks what effect this will have on the water. Water for irrigation use is separate than water for domestic use. Domestic water would need to be obtained before a subdivision is created. Motion is made by Commissioner Frischknecht to amend the Sanpete County Land Use Ordinance by adopting the cluster subdivision ordinance. The motion is seconded by Commissioner Cox, and the motion passes.

**PUBLIC HEARING TO CONSIDER AND ADOPT A PROPOSAL TO AMEND THE 2001 SCLO BY ADOPTING A FLOOD DAMAGE PREVENTION ORDINANCE**

Scott Olsen explains that this is a requirement from FEMA. Motion is made by Commissioner Cox to amend the 2001 Sanpete County Land Use Ordinance by adopting a flood damage prevention ordinance. The motion is seconded by Commissioner Frischknecht, and the motion passes.

**REQUEST FOR A PUBLIC HEARING FOR THE CONSIDERATION AND APPROVAL OF THE SANPETE COUNTY RESOURCE MANAGEMENT PLAN**

Motion is made by Commissioner Frischknecht to set a public hearing for the consideration and approval of the Sanpete County resource management plan. The motion is seconded by Commissioner Cox, and the motion passes.

**PUBLIC HEARING TO CONSIDER AND ADOPT FOUR AMENDMENTS TO THE SANPETE COUNTY SUBDIVISION ORDINANCE WHICH PROVIDE LOCATION REFERENCES TO INFORMATION RELATED TO CITY BUFFER ZONE APPLICATIONS**

Scott Olsen explains that these amendments are being made to make the information needed when developing in a buffer zone easier to find. Motion is made by Commissioner Frischknecht to adopt 4 amendments to the Sanpete County Subdivision Ordinance. The motion is seconded by Commissioner Cox, and the motion passes.

**MONTE BONA: WAIVER OF PENALTY AND INTEREST ON 2008 AND 2009 TAXES ON S16067**

Jon Woodward is present. Motion is made by Commissioner Cox to waive the penalty and interest on the 2008 and 2009 taxes on S 16067 in the amount \$633.76. The motion is seconded by Commissioner Frischknecht, and the motion passes.

**MAX SMITH: REQUEST FOR PROPERTY TAX RELIEF ON S 60825 IN OAKER HILLS**

Mr. Smith was unable to attend. This matter is tabled. It will be placed on a future agenda.

**CHAD LEWIS: REQUEST TO REMOVE S 61032 FROM THE MAY TAX SALE**

Chad Lewis is present. He paid the \$400.00 administrative fee today, and \$2,000.00 towards the taxes owed. Motion is made by Commissioner Cox to remove S 61032 from the tax sale, stop future accrual of penalty and interest as of today, and set a payment schedule of \$450.00 per month (\$200 of that will be applied to 2012 and 2013's taxes.) The motion is seconded by Commissioner Frischknecht, and the motion passes.

**APPROVAL OF RIGHT OF WAY AGREEMENT WITH CENTRA COM INTERACTIVE TO INSTALL COPPER CABLE TO BRANDON BLACKHAM TURKEY FACILITIES ON PIGEON HOLLOW ROAD IN SPRING CITY**

Commissioner Cox has a conflict, and recuses himself from this matter. The bond is in place, and they plan to bore the road. Motion is made by Commissioner Frischknecht to approve a right of way agreement with Centra Com Interactive to install copper cable to Brandon Blackham's turkey facilities on Pigeon Hollow Road in Spring City. The motion is seconded by Commissioner Jarrett, and the motion passes.

**APPROVAL OF RIGHT OF WAY AGREEMENT WITH CENTRA COM INTERACTIVE TO INSTALL 790 FEET OF COPPER CABLE ON 17200 S MORONI/WALES ROAD TO SERVICE NEW HOMES IN THE AREA**

Commissioner Cox has a conflict, and recuses himself from this matter. Motion is made by Commissioner Frischknecht to approve the right of way agreement with Centra Com Interactive to install 790 feet of copper cable on 17200 S Moroni/Wales Road to service new homes in the area. The motion is seconded by Commissioner Jarrett, and the motion passes.

**APPROVAL OF MINUTES**

Motion is made by Commissioner Cox to approve the minutes from April 3, 2012 with minor corrections. The motion is seconded by Commissioner Frischknecht, and the motion passes.

**EXECUTIVE SESSION**

No executive session was needed.

Motion is made by Commissioner Frischknecht to adjourn. The motion is seconded by Commissioner Cox, and the motion passes.

The meeting is adjourned at 3:45 P.M.

ATTEST: *Sandy Neill*  
Sandy Neill  
Sanpete County Clerk

APPROVED: *Claudia Jarrett*  
Claudia Jarrett  
Commission Chair

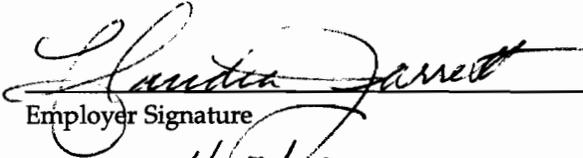
**ADOPTING RESOLUTION**

The undersigned Principal of Sanpete County (the Employer) hereby certifies that the following resolutions were duly adopted by the Employer on April 17, 2012 and that such resolutions have not been modified or rescinded as of the date hereof:

RESOLVED, that Amendment Number ONE to the Health Reimbursement Account Plan (HRA) effective December 31, 2011, presented to this meeting is hereby approved and adopted and that the duly authorized agents of the Employer are hereby authorized and directed to execute and deliver to the Administrator of the Plan one or more counterparts of the amendment.

RESOLVED, that the duly authorized agents of the Employer shall act as soon as possible to notify the employees of the Employer of the adoption of this Amendment Number ONE to the HRA Plan by delivering to each employee a copy of the summary description of the changes to the Plan in the form of the Summary Plan Description and/or Material Modification presented to this meeting, which form is hereby approved.

The undersigned further certifies that attached hereto as Exhibits A and B respectively, are true copies of Amendment Number ONE to Sanpete County HRA Plan and Summary Plan Description - Material Modifications approved and adopted in the foregoing resolutions.

  
\_\_\_\_\_  
Employer Signature  
4/17/12  
\_\_\_\_\_  
Date

**AMENDMENT NUMBER ONE TO THE  
HRA PLAN  
FOR  
SANPETE COUNTY**

**WITNESSETH:**

WHEREAS, Sanpete County has previously adopted a HRA Plan and;

WHEREAS, certain changes are now desirable;

NOW, THEREFORE, the Sanpete County HRA Plan is hereby amended in the following particulars only;  
and

FURTHER, the effective date of this amendment is December 31, 2011.

1. **ARTICLE III BENEFITS** is amended as follows:

**SECTION 3.3 HEALTH REIMBURSEMENT ARRANGEMENT CLAIMS**

**Health Reimbursement Arrangement Claims**

- (a) The Administrator shall direct the reimbursement to each eligible Participant for all Qualifying Medical Expenses. All Qualifying Medical Expenses eligible for reimbursement pursuant to Section 3.1(b) shall be reimbursed during the Coverage Period, even though the submission of such a claim occurs after his participation hereunder ceases; but provided that the Qualifying Medical Expenses were incurred during a Coverage Period. Claims must include receipts or documentation that the expense being incurred is eligible for reimbursement, in order to claim reimbursement. Expenses may be reimbursed up to 90 days after the end of the Coverage Period.; and Section 3.3(c) below. However, a Participant may not submit claims incurred prior to beginning participation in the Plan and/or the Effective Date of the Plan, whichever is earlier.
- (b) Notwithstanding the foregoing, Qualifying Medical Expenses shall not be reimbursable under this Plan if eligible for reimbursement and claimed under the Employer's Health Flexible Spending Account or Health Savings Account, if applicable.
- (c) Claims for the reimbursement of Qualifying Medical Expenses incurred in any Coverage Period shall be paid as soon after a claim has been filed as is administratively practicable. However, if a Participant fails to submit a claim within 90 days immediately following the end of the Coverage Period, those Medical Expense claims shall not be considered for reimbursement by the Administrator.
- (d) Reimbursement payments under this Plan shall be made directly to the Participant.
- (e) If the maximum amount available for reimbursement for a Coverage Period is not utilized in its entirety, such remainder shall be forfeited.

IN WITNESS WHEREOF, this Amendment ONE has been executed this 17<sup>th</sup> day of April, 2012.

Sanpete County

BY: Landea Jarrett

Title: Commissioner Chair

## SUMMARY OF MATERIAL MODIFICATIONS

### SANPETE COUNTY HEALTH REIMBURSEMENT ACCOUNT

#### I INTRODUCTION

Sanpete County has amended your Health Reimbursement Account Plan as of December 31, 2011.

This is merely a summary of the most important changes to the Plan. It is presented to you as an addition to the Summary Plan Description. If you have any questions, contact the Administrator. A copy of the Plan, including this amendment, is available for your inspection. If there is any discrepancy between the terms of the Plan or the amendment itself and this summary of material modifications, the provisions of the Plan, as amended, will control.

#### II GENERAL INFORMATION ABOUT THE PLAN

There is certain general information which you may need to know about Amendment Number ONE to the Plan. This information has been summarized for you in this Section.

1. General Plan Information

Sanpete County HRA Plan is the name of the Plan.

The amended provisions of the Plan become effective on December 31, 2011, unless otherwise provided.

Your Employer has assigned Plan Number 501 to your Plan.

2. Employer Information

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

Sanpete County  
P.O.Box 128  
Manti, Utah 84642  
87-6000303

3. Administrator Information

The name, address and business telephone number of the Administrator are:

Sanpete County  
P.O.Box 128  
Manti, Utah 84642  
(435)835-2142

The Administrator has the complete power, in its sole discretion to determine all questions arising in connection with the administration, interpretation, and application of the Plan (and any related documents and underlying policies). Any such determination by the Administrator is conclusive and binding upon all persons.

### III SUMMARY OF CHANGES

#### 1. **Claims Run-out**

During the course of the Coverage Period, you may submit requests for reimbursement of expenses you have incurred. However, you must make your requests for reimbursements no later than 90 days after the end of the Coverage Period. The Administrator will provide you with acceptable forms for submitting these requests for reimbursement. In addition, you must submit to the Administrator proof of the expenses you have incurred and that they have not been paid by any other health plan coverage. If the request qualifies as a benefit or expense that the Plan has agreed to pay, you will receive a reimbursement payment soon thereafter. Remember, reimbursements made from the Plan are generally not subject to federal income tax or withholding. Nor are they subject to Social Security taxes.

**SANPETE COUNTY HRA PLAN**

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**SUMMARY PLAN DESCRIPTION**

Updated March 26, 2012

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## II BENEFITS

### 1. What Benefits Are Available?

The plan allows you to be reimbursed by the Employer for any deductibles which you have to meet under our group medical plan which are incurred by you or your dependents.

The maximum Employer contribution allowed each year is: The Employee pays the first \$500 of the deductible after which the HRA will pay up to \$1,500 towards the deductible.

Expenses are considered "incurred" when the service is performed, not necessarily when it is paid for. Any amounts reimbursed to you under the Plan may not be claimed as a deduction on your personal income tax return nor reimbursed by other health plan coverage including our health flexible spending account.

### 2. When Must Expenses Be Incurred?

You may submit expenses that you incur each "Coverage Period." A new "Coverage Period" begins each January 1<sup>st</sup> and ends December 31<sup>st</sup>.

### 3. When Will I Receive Payments From the Plan?

During the course of the Coverage Period, you may submit requests for reimbursement of expenses you have incurred. However, you must make your requests for reimbursements no later than 90 days after the end of the Coverage Period. The Administrator will provide you with acceptable forms for submitting these requests for reimbursement. In addition, you must submit to the Administrator proof of the expenses you have incurred and that they have not been paid by any other health plan coverage. If the request qualifies as a benefit or expense that the Plan has agreed to pay, you will receive a reimbursement payment soon thereafter. Remember, reimbursements made from the Plan are generally not subject to federal income tax or withholding. Nor are they subject to Social Security taxes.

### 4. What Happens If I Terminate Employment?

See Article V

### 5. Family and Medical Leave Act (FMLA)

If you take leave under the Family and Medical Leave Act, you may revoke or change your existing elections for health insurance. If your coverage in these benefits terminates, due to your revocation of the benefit while on leave or due to your non-payment of contributions, you will be permitted to reinstate coverage for the remaining part of the Plan Year upon your return.

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

**2. Employer Information**

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

Sanpete County  
P.O.Box 128  
Manti, Utah 84642  
87-6000303

The Plan allows other employers to adopt its provisions. You or your beneficiaries may examine or obtain a complete list of employers, if any, who have adopted your Plan by making a written request to the Administrator.

**3. Plan Administrator Information**

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

Sanpete County  
P.O.Box 128  
Manti, Utah 84642  
(435)835-2142

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

**4. Third Party Claims Administrator Information**

The name, address and business telephone number of the Third Party Claims Administrator are:

National Benefit Services, LLC  
P.O. Box 6980  
West Jordan, UT 84084  
(800)274-0503

The Third Party Claims Administrator is responsible for the actual processing of claims on behalf of the Plan Administrator.

**5. Service of Legal Process**

The Employer is the Plan's agent for service of legal process.

In addition to creating rights for Plan Participants, ERISA imposes obligations upon the individuals who are responsible for the operation of the Plan. The individuals who operate the Plan, called "fiduciaries" of the Plan, have a duty to do so prudently and in the interest of the Plan Participants and their beneficiaries. No one, including the Employer or any other person, may fire a Plan Participant or otherwise discriminate against a Plan Participant in any way to prevent the Plan Participant from obtaining benefits under the Plan or from exercising his or her rights under ERISA.

If it should happen that Plan fiduciaries misuse the Plan's money, or if you are discriminated against for asserting your rights, you may seek assistance from the U.S. Department of Labor, or you may file suit in a Federal court. The court will decide who should pay court costs and legal fees. If you are successful, the court may order the person you have sued to pay these costs and fees. If you lose, the court may order you to pay these costs and fees; for example, if it finds your claim is frivolous.

If you have any questions about the Plan, you should contact the Administrator. If you have any questions about this statement, or about your rights under ERISA or the Health Insurance Portability and Accountability Act (HIPAA), or if you need assistance in obtaining documents from the Administrator, you should contact the nearest office of the Employee Benefits Security Administration, U.S. Department of Labor, listed in the telephone directory or the Division of Technical Assistance and Inquiries, Pension and Welfare Benefits Administration, U.S. Department of Labor, 200 Constitution Avenue, N.W., Washington, D.C. 20210. You may also obtain certain publications about your rights and responsibilities under ERISA by calling the publications hotline of the Employee Benefits Security Administration.

## **2. How to Submit a Claim**

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

- (1) Obtain a claim form from the Plan Administrator.
- (2) Complete the Employee portion of the form.
- (3) Attach copies of all bills from the service provider for which you are requesting reimbursement.

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

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

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

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

## V

### CONTINUATION COVERAGE RIGHTS UNDER COBRA

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

The Plan Administrator or its designee is responsible for administering COBRA continuation coverage. Complete instructions on COBRA, as well as election forms and other information, will be provided by the Plan Administrator or its designee to Participants who become Qualified Beneficiaries under COBRA. The Arrangement itself can provide group health benefits and may also be used to provide health benefits through insurance. Whenever "Arrangement" is used in this section, it means any of the health benefits under this Plan.

#### 1. What is COBRA Continuation Coverage?

COBRA continuation coverage is the temporary extension of group health plan coverage that must be offered to certain Participants and their eligible family members (called "Qualified Beneficiaries") at group rates. The right to COBRA continuation coverage is triggered by the occurrence of a life event that results in the loss of coverage under the terms of the Arrangement (the "Qualifying Event"). The coverage must be identical to the coverage that the Qualified

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

If the Qualifying Event causes the covered Employee, or the covered Spouse or a Dependent child of the covered Employee, to cease to be covered under the Arrangement under the same terms and conditions as in effect immediately before the Qualifying Event (or in the case of the bankruptcy of the Employer, any substantial elimination of coverage under the Arrangement occurring within 12 months before or after the date the bankruptcy proceeding commences), the persons losing such coverage become Qualified Beneficiaries under COBRA if all the other conditions of COBRA are also met. For example, any increase in contribution that must be paid by a covered Employee, or the Spouse, or a Dependent child of the covered Employee, for coverage under the Arrangement that results from the occurrence of one of the events listed above is a loss of coverage.

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

#### **4. What Factors Should Be Considered When Determining to Elect COBRA Continuation Coverage?**

You should take into account that a failure to continue your group health coverage will affect your rights under federal law. First, you can lose the right to avoid having pre-existing condition exclusions applied by other group health plans if there is more than a 63-day gap in health coverage and election of COBRA continuation coverage may help you avoid such a gap. Second, if you do not elect COBRA continuation coverage and pay the appropriate premiums for the maximum time available to you, you will lose the right to convert to an individual health insurance policy, which does not impose such pre-existing condition exclusions. Finally, you should take into account that you have special enrollment rights under federal law (HIPAA). You

- (2) death of the employee,
- (3) commencement of a proceeding in bankruptcy with respect to the Employer, or
- (4) enrollment of the employee in any part of Medicare,

**IMPORTANT:**

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

**NOTICE PROCEDURES:**

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

*Sanpete County  
P.O.Box 128  
Manti, Utah 84642*

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

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

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

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

Once the Plan Administrator or its designee receives *timely notice* that a Qualifying Event has occurred, COBRA continuation coverage will be offered to each of the qualified beneficiaries. Each Qualified Beneficiary will have an independent right to elect COBRA continuation coverage. Covered employees may elect COBRA continuation coverage for their spouses, and parents may elect COBRA continuation coverage on behalf of their children. For each Qualified Beneficiary who elects COBRA continuation coverage, COBRA continuation coverage will begin on the date that coverage would otherwise have been lost (if under your coverage the COBRA period begins on the date of the Qualifying Event, even though coverage actually ends later (e.g., at the end of the month) substitute the appropriate language,

- (6) In the case of a Qualified Beneficiary entitled to a disability extension, the later of:
  - (a) (i) 29 months after the date of the Qualifying Event, or (ii) the first day of the month that is more than 30 days after the date of a final determination under Title II or XVI of the Social Security Act that the disabled Qualified Beneficiary whose disability resulted in the Qualified Beneficiary's entitlement to the disability extension is no longer disabled, whichever is earlier; or
  - (b) the end of the maximum coverage period that applies to the Qualified Beneficiary without regard to the disability extension.

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

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

#### **11. What Are the Maximum Coverage Periods for COBRA Continuation Coverage?**

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

- (1) In the case of a Qualifying Event that is a termination of employment or reduction of hours of employment, the maximum coverage period ends 18 months after the Qualifying Event if there is not a disability extension and 29 months after the Qualifying Event if there is a disability extension.
- (2) In the case of a covered Employee's enrollment in the Medicare program before experiencing a Qualifying Event that is a termination of employment or reduction of hours of employment, the maximum coverage period for Qualified Beneficiaries other than the covered Employee ends on the later of:
  - (a) 36 months after the date the covered Employee becomes enrolled in the Medicare program; or
  - (b) 18 months (or 29 months, if there is a disability extension) after the date of the covered Employee's termination of employment or reduction of hours of employment.
- (3) In the case of a Qualified Beneficiary who is a child born to or placed for adoption with a covered Employee during a period of COBRA continuation coverage, the maximum coverage period is the maximum coverage period applicable to the Qualifying Event giving rise to the period of COBRA continuation coverage during which the child was born or placed for adoption.

Employer's behalf, the Employer is allowed until that later date to pay for coverage of similarly situated non-COBRA beneficiaries for the period.

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

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

**17. Must a Qualified Beneficiary Be Given the Right to Enroll in a Conversion Health Plan at the End of the Maximum Coverage Period for COBRA Continuation Coverage?**

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

**IF YOU HAVE QUESTIONS**

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

**KEEP YOUR PLAN ADMINISTRATOR INFORMED OF ADDRESS CHANGES**

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

# HRA PLAN

## Sanpete County

## HIGHLIGHTS

Sanpete County has established a "HRA Plan" to help you pay for your out-of-pocket medical expenses. If you received a reimbursement for an expense under the Plan, you cannot claim a Federal income tax credit or deduction on your return.

### GENERAL PLAN INFORMATION

Plan Name:

**Sanpete County HRA Plan**

Address:..... P.O. Box 128  
Manti, Utah 84642

Telephone:.....(435)835-2142

Tax I.D. Number: .....87-6000303

Plan Number:.....501

Plan Effective Date:.....1/1/2011

Amended:.....12/31/2011

Coverage Period End: ..... December 31st

Plan Administrator: .....

..... Sanpete County

Company Contact:..... Irene Roth

### QUALIFIED EXPENSES

The plan allows you to be reimbursed by the Employer for any deductibles which you have to meet under our group medical plan which are incurred by you or your dependents.

### ELIGIBILITY

If you work 40 hours or more each week for the company, you will be eligible to join the Plan following your date of hire.

You will enter the Plan on the first day of the month following your date of hire.

### BENEFIT

The maximum Employer contribution allowed each year is: The Employee pays the first \$500 of the deductible after which the HRA will pay up to \$1,500 towards the deductible.

### BENEFITS PAYMENT

During the course of the Coverage Period, you may submit requests for reimbursement of expenses you have incurred. However, you must make your requests for reimbursements no later than 90 days after the end of the Coverage Period. The Administrator will provide you with acceptable forms for submitting these requests for reimbursement. In addition, you must submit to the Administrator proof of the expenses you have incurred and that they have not been paid by any other health plan coverage. If the request qualifies as a benefit or expense that the Plan has agreed to pay, you will receive a reimbursement payment soon thereafter. Remember, reimbursements made from the Plan are generally not subject to federal income tax or withholding. Nor are they subject to Social Security taxes.

Expenses are considered "incurred" when the service is performed, not necessarily when it is paid for. You can get a claim form at [www.nbsbenefits.com](http://www.nbsbenefits.com) for reimbursement.

Any monies left at the end of the Coverage Period will be forfeited. You must submit claims no later than 90 days after the end of the Coverage Period.

### HIGHLY COMPENSATED & KEY EMPLOYEES

Under the Internal Revenue Code, "highly compensated employees" and "key employees" generally are Participants who are officers, shareholders or highly paid.

If you are within these categories, the amount of contributions and benefits for you may be limited so that the Plan as a whole does not unfairly favor those who are highly paid, their spouses or their dependents. Please refer to your Summary Plan Description for more information. You will be notified of these limitations if you are affected.

### FAMILY AND MEDICAL LEAVE ACT

Notwithstanding anything in the Plan to the contrary, in the event any benefit under this Plan becomes subject to the requirements of the Family and Medical Leave Act of 1993 and regulations thereunder, this Plan shall be operated in accordance with proposed Regulation 1.125-3.

### ADDITIONAL PLAN INFORMATION

As a participant in the Plan, you are entitled to certain rights and protections under the Employee Retirement Income Security Act of 1974 (ERISA). Please refer to your Summary Plan Description for more information on your ERISA rights.

Updated March 26, 2012

**NATIONAL BENEFIT SERVICES, LLC**  
*Customer Care • Knowledge and Expertise • Organizational Excellence*

(801) 532-4000 - Salt Lake City, UT