



RESOLUTION NO. 2013-03

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE
MONTEREY PENINSULA WATER MANAGEMENT DISTRICT
REGARDING
AMENDMENT TO THE FLEXIBLE BENEFITS PLAN**

The Board of Directors of the Monterey Peninsula Water Management District, hereby adopts the following Resolution:

WHEREAS, the Employer previously adopted a Code Section 125 Cafeteria Plan and a Code Section 105 Health Care Spending Account (“HCSA”), collectively referred to as the Flexible Benefits Plan (the “Plan”);

WHEREAS, Article 9.02 of the Plan allows the Employer to amend the Plan;

WHEREAS, effective January 1, 2013, the Patient Protection and Affordable Care Act of 2010 (the “Affordable Care Act”) amended Internal Revenue Code Section 125(i) to limit salary reductions for HCSAs to \$2,500;

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors has hereby reviewed the amendment and Summary of Material Modifications (Attachment 1) and does hereby approve the adoption of the amendment as set forth therein;

BE IT FURTHER RESOLVED, that the officers of the Employer are authorized and directed to take any and all action as may be necessary to effectuate this Resolution.

On motion of Director Markey, and second by Director Lehman, the foregoing resolution is duly adopted this 18th day of March, 2013, by the following votes:

AYES: Directors Markey, Lehman, Brower, Byrne, Lewis, Pendergrass and Potter

NAYES: None

ABSENT: None

I, David J. Stoldt, Secretary of the Board of Directors of the Monterey Peninsula Water Management District, hereby certify that the foregoing is a resolution duly adopted on the 18th day of March, 2013.

Witness my hand and seal of the Board of Directors, this 17th day of April, 2013.

David J. Stoldt, Board Secretary

**ATTACHMENT 1
TO
MPWMD RESOLUTION 2013-03**

Amendment to the Flexible Benefits Plan (the “Plan”) by the Monterey Peninsula Water Management District.

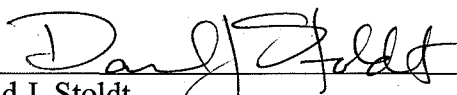
NOW, THEREFORE, effective as of January 1, 2013, the Plan is amended as follows:

Article 4.03 is deleted in its entirety and replaced with the following:

To the extent offered under the Plan, each Participant’s URM will be credited for Health Care Reimbursement with amounts withheld from the Participant’s Compensation and any Nonelective Contributions allocated thereto by the Employer or where applicable, the Participant. The Account will be debited for Health Care Reimbursements disbursed to the Participant in accordance with Article V of this document. The entire amount elected by the Participant on the SRA as an annual amount for the Plan Year for Health Care Reimbursement less any Health Care Reimbursements already disbursed to the Participant for Expenses incurred during the Plan Year (plus any grace period as set forth in the SPD) shall be available to the Participant at any time during the Plan Year without regard to the balance in the Health Care Account (provided that the periodic contributions have been made). Thus, the maximum amount of Health Care Reimbursement at any particular time during the Plan Year will not relate to the amount that a Participant has had credited to his URM. In no event will the amount of Health Care Reimbursements in any Plan Year (plus any grace period as set forth in the SPD) exceed the annual amount specified for the Plan Year in the SRA for Health Care Reimbursement. **Effective January 1, 2013, Participants may not allocate more than \$2,500 per Plan Year into their Health Care Accounts (as adjusted for inflation in the future). In the event of a short Plan Year for all Participants, the \$2,500 amount (as indexed) will be pro-rated.** Any amount credited to the Health Care Account shall be forfeited by the Participant and restored to the Employer if it has not been applied to provide Health Care Reimbursement within the Run-Off period set forth in the SPD. Amounts so forfeited shall be used in a manner that is permitted within the applicable Department of Labor (“DOL”) or Internal Revenue Service (“IRS”) regulations. The maximum annual reimbursement under the URM shall be set forth in the SPD. The Employer may establish a minimum annual reimbursement amount as set forth in the SPD.

COPY CERTIFICATION

I, David J. Stoldt, Secretary to the Board of Directors of the Monterey Peninsula Water Management District, hereby certify the foregoing is a full, true and correct copy of Resolution No. 2013-03 duly adopted on the 18th day of March 2013.



David J. Stoldt,
Secretary to the Board of Directors

4.17.13
Date