



RANCHO SANTA FE FIRE PROTECTION DISTRICT BOARD OF DIRECTORS MEETING AGENDA

Rancho Santa Fe FPD
Board Room – 18027 Calle Ambiente
Rancho Santa Fe, California 92067

January 18, 2023
1:00 pm PT
Regular Meeting

THIS BOARD OF DIRECTORS MEETING WILL BE CONDUCTED VIA TELECONFERENCE

Pursuant to Governor Newsom's [Executive Orders N-25-30](#), issued on March 12, 2020 and [N-33-20](#) issued on March 19, 2020: members of the Rancho Santa Fe Fire Protection District Board of Directors and staff may participate in this meeting via teleconference. In the interest of reducing the spread of COVID 19, members of the public are encouraged, but not required, to submit comments via email. Those attending the meeting in person will be required to maintain appropriate social distancing.

Public Comment: to submit a comment in writing, please email caccavo@rsf-fire.org and write "Public Comment" in the subject line. In the body of the email include the item number and/or title of the item as well as your comments. If you would like the comment to be read out loud at the meeting (not to exceed five minutes), please write "Read Out Loud at Meeting" at the top of the email. All comments received by 11:00 am will be emailed to the Board of Directors and included as "Supplemental Information" on the District's website prior to the meeting. Any comments received after 11:00 am will be added to the record and shared with the members of the Board at the meeting.

Americans with Disabilities Act: If you need special assistance to participate in this meeting, please contact the Board Clerk 858-756-5971 ext. 1005. Notification 48 hours prior to the meeting will enable the District to make reasonable arrangements to assure accessibility to the meeting.

Rules for Addressing Board of Directors: Members of the audience who wish to address the Board of Directors are requested to complete a form near the entrance of the meeting room and submit it to the Board Clerk. Any person may address the Board on any item of Board business or Board concern. The Board cannot take action on any matter presented during Public Comment, but can refer it to staff for review and possible discussion at a future meeting. As permitted by State Law, the Board may take action on matters of an urgent nature or which require immediate attention. The maximum time allotted for each presentation is FIVE (5) MINUTES.

Agendas: Agenda packets are available for public inspection 72 hours prior to scheduled meetings at the office of the Manager, Finance & Administration located at 18027 Calle Ambiente, Suite 101, Rancho Santa Fe, CA during normal business hours. Packet documents are also posted online at www.rsfire.org



Rancho Santa Fe Fire Protection District Board of Directors

Regular Meeting

January 18, 2023

1. Pledge of Allegiance
2. Roll Call
3. Public Comment
4. Motion waiving reading in full of all Resolutions/Ordinances

All items listed on the Consent Calendar are considered routine and will be enacted by one motion without discussion unless Board Members, Staff, or the public requests removal of an item for separate discussion and action. The Board of Directors has the option of considering items removed from the Consent Calendar immediately or under Unfinished Business.

5. Consent Calendar

a. Board of Directors Minutes

Board of Directors minutes of December 14, 2022

ACTION REQUESTED: **Approve**

b. Receive and File

Monthly/Quarterly Reports

- 1) Financial Statements for period ending December 31, 2022
- 2) List of Demands Check 35822 thru 35931, Electronic File Transfers (EFT), and Wire Transfer(s) for the period December 2022 totaling:

\$ 345,181.83
\$ 267,740.25
<u>\$ 865,502.31</u>

Wire Transfer(s) period December 2022
Payroll for the period December 2022
- 3) Activity Reports – December 2022
 - a. Operations
 - b. Training
 - c. Fire Prevention

TOTAL DISTRIBUTION **\$1,478,424.39**

ACTION REQUESTED: **Informational Only**

6. Old Business

- a. None

7. Resolution/Ordinance

a. Resolution No. 2023-00

To adopt the Resolution *entitled* A Resolution of the Fire Chief of the Rancho Santa Fe Fire Protection District adopting a cafeteria plan. [Staff Report 23-00, Exhibit A Cafeteria Plan](#)

ACTION REQUESTED: **Ratify**



Rancho Santa Fe Fire Protection District Board of Directors

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- b. Resolution No. 2023-01
To discuss and/or adopt the Resolution *entitled* A Resolution of the Board of Directors of the Rancho Santa Fe Fire Protection District Adopting a Pay Schedule in Accordance with California Code of Regulations, Title 2; Section 570.5 [Staff Report 23-01, Attachment A Salary Schedule](#)
ACTION REQUESTED: **Adopt**
8. New Business
 - a. CalPERS Additional Discretionary Payment
To discuss and/or authorize the additional discretionary payment (ADP) to CalPERS to reduce the District's unfunded accrued liability for safety and miscellaneous plans. – [Staff Report 23-02](#)
ACTION REQUESTED: **Authorize staff to make an ADP**
 - b. Sale of Assets
To discuss and/or authorize the sale of ambulance #0891 deemed as surplus. – [Staff Report 23-03](#)
ACTION REQUESTED: **Authorize sale and disposal of surplus ambulance.**
 - c. Sale of Assets
To discuss and/or authorize the sale of vehicle #1381 deemed as surplus. – [Staff Report 23-04](#)
ACTION REQUESTED: **Authorize sale and disposal of surplus vehicle.**
 - d. Local Agency Formation Commission Nominations
To discuss and/or authorize the President to nominate a regular and alternate Special District member to LAFCO on behalf of the Fire District.
ACTION REQUESTED: **Authorize President to nominate Special District representative**
9. Oral Report
 - a. Fire Chief
 - b. Operations
 - c. Training
 - d. Fire Prevention
 - e. Finance, Human Resource & Administration
 - f. Board of Directors
 - i. North County Dispatch JPA – Update
 - ii. County Service Area – 17 – Update
 - iii. Comments
10. Closed Session
 - a. PUBLIC EMPLOYMENT
With respect to every item of business to be discussed in closed session pursuant to Government Code §54957.6
Agency Negotiators: Jim Ashcraft, Randy Malin and assigned Staff
Represented Employees: Rancho Santa Fe Miscellaneous Employees
Under Negotiation: Position Re-classification and/or Compensation Resolution
11. Adjournment
The next regular meeting Board of Directors meeting to be February 15, 2023, in the Board Room located at 18027 Calle Ambiente, Rancho Santa Fe, California. The business meeting will commence at 1:00 p.m.



Rancho Santa Fe Fire Protection District Board of Directors Regular Meeting

January 18, 2023

CERTIFICATION OF POSTING

I certify that on January 12, 2023, a copy of the foregoing agenda was posted on the District's website and near the meeting place of the Board of Directors of Rancho Santa Fe Fire Protection District, said time being at least 72 hours in advance of the meeting of the Board of Directors (Government Code Section 54954.2)

Executed at Rancho Santa Fe, California on January 12, 2023:

A handwritten signature in blue ink, appearing to read "Alicea Caccavo", is written over a horizontal line.

Alicea Caccavo
Board Clerk

Rancho Santa Fe Fire Protection District

Regular Board of Directors Meeting

Minutes December 14, 2022



These minutes reflect the order in which items appeared on the meeting agenda and do not necessarily reflect the order in which items were considered.

President Ashcraft called to order the regular session of the Rancho Santa Fe Fire Protection District Board of Directors at 1:00pm.

Pledge of Allegiance

Director John Tanner led the assembly in the Pledge of Allegiance.

Roll Call

Directors Present: Ashcraft, Hillgren, Malin, Stine, Tanner

Staff Present: Fire Chief Dave McQuead; Deputy Chief Brian Slattery; Manager, Fire Marshal Marlene Donner, and Battalion Chief/Training Officer Luke Bennett

1. Motion waiving reading in full of all Resolutions/Ordinances

MOTION BY DIRECTOR MALIN, SECOND BY DIRECTOR STINE, and CARRIED 5 AYES; 0 NOES; 0 ABSENT; 0 ABSTAIN to waive reading in full of all resolutions and/or ordinances.

2. Consent Calendar

MOTION BY DIRECTOR HILLGREN, SECOND BY DIRECTOR STINE, and CARRIED 5 AYES; 0 NOES; 0 ABSENT; 0 ABSTAIN to accept the consent calendar as presented.

a. Board of Directors Minutes

- Board of Directors minutes of November 16, 2022

b. Receive and File

- Monthly/Quarterly Reports

(1) List of Demands Check 35732 thru 35821, Electronic File Transfers (EFT), and Wire Transfer(s) for the period November 2022 totaling:	\$ 214,135.91
Wire Transfer(s) period November 2022	\$ 258,562.74
Payroll for the period November 2022	<u>\$ 667,757.13</u>
TOTAL DISTRIBUTION	\$1,140,455.78

(2) Activity Reports – November 2022

(a) Operations

(b) Training

(c) Fire Prevention

(d) Correspondence - letters/cards were received from the following members of the public:

(i) None

3. Public Comment

None



Rancho Santa Fe Fire Protection District Board of Directors

Regular Meeting

December 14, 2022

4. Resolution/Ordinance

a. Resolution No. 2022-27

This item was tabled at the November 16, 2022, meeting to obtain additional information:

To discuss and/or adopt a Resolution *entitled* A Resolution of the Board of Directors of the Rancho Santa Fe Fire Protection District to Oppose Initiative 21-0042A1 which Limits the Ability of Voters and State and Local Governments to Raise Revenues for Government Services – Initiative Constitutional Amendment.

Fire Chief McQuead reported that this came from the California Special Districts Association (CSDA), which advocates for all special districts, requesting support to oppose this initiative. They saw this as a potential roadblock for fees and other opportunities for revenue if this were to pass. The initiative began through the California Business Roundtable, an organization comprised of senior executive leaders throughout the state, to enact measures to make taxes more predictable and limit what passes. This can impact the ability of special district to put forth fees.

MOTION BY DIRECTOR MALIN, SECOND BY DIRECTOR STINE, and CARRIED 5 AYES; 0 NOES; 0 ABSENT; 0 ABSTAIN to approve Resolution No. 2022-27 to Oppose Initiative 21-0042A1.

b. Resolution No. 2022-28

To discuss and/or adopt a Resolution *entitled* a Resolution of the Board of Directors of the Rancho Santa Fe Fire Protection District Establishing Salaries and Benefits for Management Personnel. Staff Report 22-22

Fire Chief McQuead reported that the Management Resolution was changed to align with changes made previously to the Safety MOU.

MOTION BY DIRECTOR TANNER, SECOND BY DIRECTOR STINE, and CARRIED 5 AYES; 0 NOES; 0 ABSENT; 0 ABSTAIN to approve Resolution No. 2022-28 on a roll call vote:

AYES:	Ashcraft, Hillgren, Malin, Stine, Tanner
NOES:	None
ABSTAIN:	None
ABSENT:	None

5. Old Business

None

6. New Business

a. Community Risk Reduction Specialist Position

To discuss and/or approve of the additional position of a Community Risk Reduction Specialist. Staff Report 22-23, Job Flyer, Job Description (Exhibit A) and Benefits, and Proposed Organizational Chart

Fire Chief reported that previously we had hired a temporary Defensible Space Inspector for weed abatement duties. As the District has grown so has the workload of the weed abatement inspector. This position would allow for succession planning and consistency. It will also assist with the District's ISO rating requirements.

MOTION BY DIRECTOR MALIN, SECOND BY DIRECTOR STINE, and CARRIED 5 AYES; 0 NOES; 0 ABSENT; 0 ABSTAIN to approve the Community Risk Reduction Specialist Position.



Rancho Santa Fe Fire Protection District Board of Directors

Regular Meeting

December 14, 2022

b. Independent Auditor's Report FY 2021/2022

The Finance ad hoc committee will report on the financial status of the Fire District for FY21/22 and present any findings resulting from the year-end audit to the Board of Directors.

Director Malin, member of the Finance Committee, summarized the audit report and answered questions from the Board of Directors. The Finance Committee recommends that the Board accept the report as distributed.

MOTION BY DIRECTOR STINE, SECOND BY DIRECTOR TANNER, and CARRIED 5 AYES; 0 NOES; 0 ABSENT; 0 ABSTAIN to accept the FY 2021/2022 independent auditors report prepared by The Pun Group as distributed.

7. Oral Report

- a. **Fire Chief:** *Fire Chief McQuead reported on the recent Old Timers Luncheon held by the San Diego County Fire Chiefs Association. The Local 4349 held their Holiday party at Vistonian in Vista on December 2nd. The RSFFPD kids Christmas party was held on December 11th at Station 1 with Santa. Chief McQuead passed out the 2022 year in review in conjunction with the RSF Association. On January 24, 2023, retired Chief Willis plans on retiring from his IT position. A request for proposal has been put out.*
- b. **Operations:** *Deputy Chief Slattery reported 360 calls for November, of which 62% medical and 13% were fire, resulting in 4000 calls for the year. There is one vacancy for Captains due to a workers' comp claim with the further intent to retire. Interviews will be occurring in February. Battalion Chief's assimilating well. Chief Slattery presented pictures from recent incidents.*
- c. **Training:** *Training Battalion Chief Bennett reported that 141 hours completed for training. Four probationary employees completed their first quarter manipulation test and are doing well. Chief Bennett reviewed recent drills executed for the Board. San Diego Health and Wellness came to the District to present the trends since the District has contracted with them.*
- d. **Fire Prevention:** *Fire Marshal Donner reported that not as busy but with some last-minute submittals to beat the code adoption. Fire Code for the Board of Supervisors will have first reading on in January 24; and the second reading on February 7th. Mitigation fee meeting will be in March. Working on cell sites to ensure the correct regulations are met. Fire Prevention met with the RSF Association and will be put together a checklist for AB38 compliance and a plant list. Will be working on gate reviews in the District. Going to meet regarding Zumake creek with County Parks on the flooding.*
- e. **Finance, Human Resources & Administration:** *No report - Manager Caccavo was stranded in Peru.*
- f. **Board of Directors:**
 - North County Dispatch JPA – *Director Ashcraft reported that the tenant improvements are well received. Director Ashcraft will be the Vice President of the Board for the next two years.*
 - County Service Area – 17 – *Director Hillgren reported that the meeting will be in February.*
 - Rancho Santa Fe Fire District Foundation – *Retired Fire Chief Twohy and/or Director Stine will report out on the Foundation. Foundation sending out e-cards to the donors.*
 - Director Comments:
 - (1) Malin: None
 - (2) Stine: Director Stine reported that his kids will be attending his and his wife's alma mater Boston College and they are very happy about it.
 - (3) Tanner: None
 - (4) Hillgren: Director Hillgren reported that she visited the RSF Patrol's space at Station 1 and was impressed.
 - (5) Ashcraft: Director Ashcraft passed out some examples of how other organizations and/or colleges are utilizing naming items to donors.



Rancho Santa Fe Fire Protection District Board of Directors

Regular Meeting

December 14, 2022

Meeting break for 10 minutes prior to Closed Session 2:48pm
Adjourned to closed session 3:00pm

8. **Closed Session**

- a. With respect to every item of business to be discussed in closed session pursuant to Section 54957
Employee Performance Evaluation
Title: Fire Chief

All board members listed and the Fire Chief McQuead attended the closed session.

Upon reconvening to open session, President Ashcraft reported that the Board of Directors had given direction to staff to increase the Fire Chief's salary by 5% effective January 1, 2023.

Reconvened to open session 3:39pm

9. **Adjournment**

Meeting adjourned at 3:42pm

Alicea Caccavo
Board Clerk

James H. Ashcraft
President



**Rancho Santa Fe Fire Protection District
Statement of Revenues and Expenses
For the Period Ending December 31, 2022
(Unaudited)**

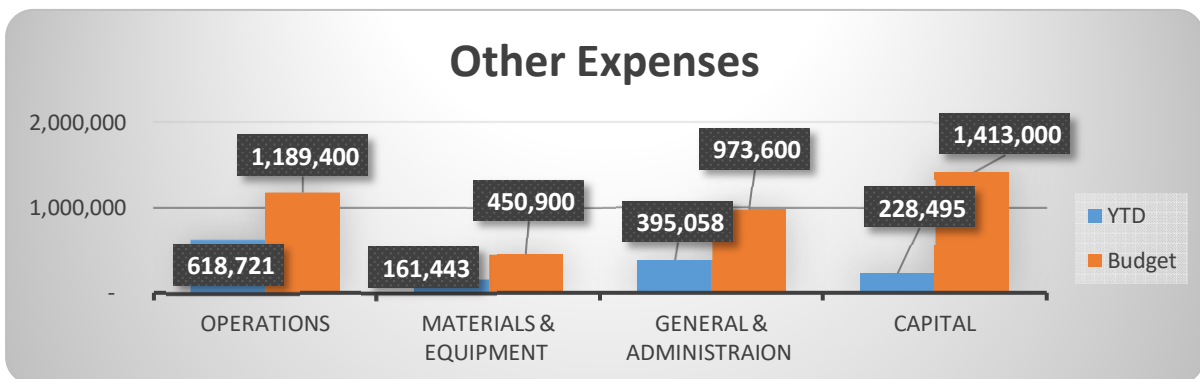
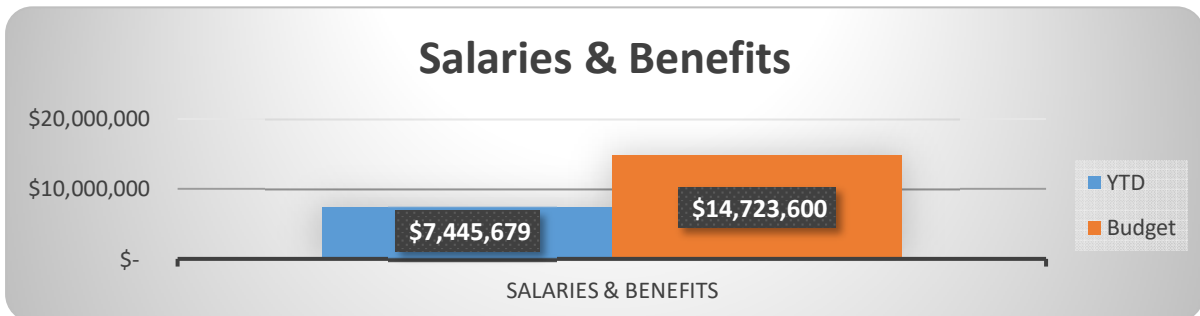
	YTD	Budget	YTD %
1 Operating Revenues	\$ 6,610,437	\$ 16,855,800	39%
2 Non-Operating Revenues	731,400	1,028,200	71%
3 Total Revenues	7,341,836	17,884,000	41%
4 Salaries & Benefits	\$ 7,445,679	\$ 14,723,600	51%
5 Operations	618,721	1,189,400	52%
6 Materials & Equipment	161,443	450,900	36%
7 General & Administraion	395,058	973,600	41%
8 Capital	228,495	1,413,000	16%
9 Total Expenses	8,849,396	18,750,500	47%
10 Net Income	\$ (1,507,560)	\$ (866,500)	

Preliminary - does not include all year end adjustments

No assurance is provided on these financial statements.

The financial statements do not include a statement of cash flows.

Substantially all disclosures required by accounting principles generally accepted in the United States are not included.





Rancho Santa Fe Fire Protection District
Reserve Balance Report
December 31, 2022
(Unaudited)

Reserve Type	Description	%	Value	Reserve Balance
Restricted				
Fire Mitigation Fees	New Construction Assessment	100%	\$ 1,296,728	\$ 1,296,728
CSA 17 ALS	CSA 17 EMS Funding	100%	205,526	205,526
Total Restricted				1,502,255
Committed				
Workers Comp/Wellness	Value of Workers Comp. Claims Difference	100%	25,070	25,070
Workers Comp/Wellness	PASIS Deposit	100%	595,104	595,104
Compensated Absence	Value of Accrued Vacation & Sick Leave	100%	565,355	565,355
Total Committed				1,185,530
Assigned Fund Balance				
Asset Replacement	50% of Annual Accumulated Depreciation for Vehicles, Equipment	50%	4,400,000	2,200,000
Budget Stabilization Fund	10% of Budgeted Expenses	10%	17,337,500	1,733,750
Operating Reserve (Dry Yield)	8 Months (67%) of Budgeted Revenues	67%	16,855,800	11,242,819
Total Assigned				15,176,569
Unassigned	Remaining Unreserved Cash Balance			1,272,403
Total	Cash and Investments Total			\$ 19,136,757



Rancho Santa Fe Fire Protection District
Detail Statement of Revenues and Expenses
For the Period Ending December 31, 2022
(Unaudited)

		YTD	Budget	YTD 50%
1	Operating Revenues			
2	Property Taxes	\$ 6,610,437	\$ 16,440,800	40%
3	Joint Facilities Community Agreement	-	415,000	0%
4	Total Operating Revenues	6,610,437	16,855,800	39%
5	Non-Operating Revenues			
6	Reimbursements, Grants & Other Revenue	419,939	547,900	77%
7	Rentals	238,775	470,300	51%
8	Interest Income	72,686	10,000	727%
9	Total Non-Operating Revenues	731,400	1,028,200	71%
10	Total Revenues	7,341,836	17,884,000	41%
11	Operating Expenses			
12	Salaries and Benefits			
13	Employee Salaries	4,154,634	8,434,900	49%
14	Employee Overtime	828,039	1,300,000	64%
15	Employee Benefits	922,687	2,019,300	46%
16	PERS (Employer Paid)	581,918	1,546,000	38%
17	CalPERS Normal Cost and UAL	958,400	958,400	100%
18	CalPERS Unfunded Liability (ADP)	-	465,000	0%
19	Total Salaries and Benefits	7,445,679	14,723,600	51%
20	Operations			
21	Utilities	179,137	316,300	57%
22	Fleet Maintenance	153,265	200,000	77%
23	Structures & Grounds	92,342	239,000	39%
24	Dispatch Services	96,780	210,000	46%
25	Communications Expense	36,367	97,000	37%
26	Fuel & Fuel Facility	54,736	117,100	47%
27	Emer Incident Meals & Misc	6,094	10,000	61%
28	Total Operations	618,721	1,189,400	52%
29	Materials & Equipment			
30	Equipment & Services	79,024	121,500	65%
31	CSA Medical Expenses	16,470	157,900	10%
32	Safety Equipment & PPE	41,949	131,000	32%
33	Repairs & Maintenance	10,215	17,500	58%
34	Supplies & Permits	13,785	23,000	60%
35	Total Materials & Equipment	161,443	450,900	36%



Rancho Santa Fe Fire Protection District
Detail Statement of Revenues and Expenses
For the Period Ending December 31, 2022
(Unaudited)

		YTD	Budget	YTD 50%
36	General & Administrative			
37	Professional Services	117,920	477,400	25%
38	Professional Dev & Training	32,406	100,000	32%
39	County Admin Costs	36,367	140,000	26%
40	Liability Insurance	130,962	131,000	100%
41	Memberships & Subscriptions	45,508	47,700	95%
42	Miscellaneous Fees & Notices	23,319	35,000	67%
43	Meetings & Special Events	2,042	17,500	12%
44	Office Expenses	6,534	25,000	26%
45	Total General & Administraion	395,058	973,600	41%
46	Capital			
47	Capital - Facilities	216,735	670,000	32%
48	Capital - Apparatus	-	445,000	0%
49	Capital - Equipment	11,760	168,000	7%
50	Capital - Vehicle	-	130,000	0%
51	Depreciation Expense	-	-	0%
52	Total Capital	228,495	1,413,000	16%
53	Total Expenses	8,849,396	18,750,500	47%
54	Net Income	\$ (1,507,560)	\$ (866,500)	

*YTD - Year to Date

Preliminary - does not include all year end adjustments

No assurance is provided on these financial statements.

The financial statements do not include a statement of cash flows.

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Rancho Santa Fe Fire Protection District
Balance Sheet
For the Period Ending December 31, 2022
(Unaudited)

	Dec-22	Jun-22
Assets		
Cash - General	10,336,757	20,264,510
Cash - Reserves	8,800,000	8,800,000
Restricted Cash and Investments	1,386,371	88,460
Accounts Receivable	214,515	1,142,146
Fixed Assets	24,696,586	24,696,586
Net Pension Asset	993,241	993,241
Total Assets	46,427,470	47,184,944
Liability		
Current Liabilities	2,489,095	2,519,990
Accounts Payable	1,117,338	1,954,819
Long Term Liabilities	620,175	620,175
Total Liability	4,226,608	5,094,984
Fund Balance	42,200,862	42,089,960
Total Liabilities & Fund Balance	\$ 46,427,470	\$ 47,184,944

Preliminary - does not include all year end adjustments

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RANCHO SANTA FE FIRE PROTECTION DISTRICT

Financial Statement Analysis

(Unaudited)

December 2022 – 50% of Fiscal Year

Line 2 Property Taxes: YTD (Year to date) is at 40% of budget – tax apportionments are received in 12 installments called apportionments, the majority of property taxes are received in December and April, and as such, this line item can appear high or low depending upon time of the year.

Line 3 Joint Facilities Community Agreement: YTD has no receipts through December 2022 – payments are received January and May, and as such, this line item will appear low depending upon the time of the year.

Line 6 Reimbursements Grants & Other Revenue: Includes plan check fees, inspection fees, sprinkler fees, grant revenue, and miscellaneous reimbursements. YTD is over budget at 77% due to more plan check and inspection fees in the first half of the year.

Line 7 Rentals: Consists of space rent and cell tower revenue at various locations along with meeting revenues. YTD is right in line with budget.

Line 8 Interest Income: Mostly consists of County Investment Pool, CalTrust and the Public Agency Self Insurance System (PASIS). YTD will trend over or under budget depending on market performance.

Line 13 Employee Salaries: Includes salaries and leave pay for all staff. YTD is right in line with budget.

Line 14 Employee Overtime: Includes operations, training, administration overtime, and strike teams. YTD is at 64% of budget due to strike teams ongoing in the first & second quarter of the fiscal year.

Line 15 Employee Benefits: Includes health insurance, medical reimbursements, and workers compensation. YTD is at 46% of budget due to timing of payments for medical reimbursements.

Line 16 PERS (Employer Paid): Includes retirement paid by the district. YTD is under budget due to timing of payments.

Line 17 CalPERS Normal Cost and UAL: This is comprised of the total minimum required employer contribution for the fiscal year. It is the sum of all six plans' employer normal cost rate (expressed as a percentage of payroll) plus the employer's Unfunded Accrued Liability (UAL) contribution amount. Payment is made annually in July. Additional payments are made as a result of actual payroll throughout the year.

Line 18 CalPERS Unfunded Liability (ADP): This is comprised of any additional discretionary employer contributions. It is the sum of the budgeted lower amortized amount plus any additional payments approved by Board action.

Line 21 Utilities: Includes all utilities associated with all facilities. YTD is at 57% of budget due to slight increase cost of utilities.

Line 22 Fleet Maintenance: Includes all preventative maintenance for staff vehicle and apparatus such as lube, oil, filter, and fluid checks. YTD is at 77% due to more maintenance and repairs being done in the beginning of the fiscal year.

Line 23 Structure & Grounds: Includes building maintenance for all stations and the administration building, along with HOA fees. YTD is under budget due to maintenance being on an as needed basis.

Line 24 Dispatch Services: Includes all fees associated with dispatching emergency calls. YTD is at 46% of budget due to timing of dispatching payments.

Line 25 Communication Expense: Includes costs associated with the 800 MHz network, radio and cellular maintenance, repair, and replacement. YTD is under budget due to maintenance being on an as needed basis.

Line 26 Fuel & Fuel Facility: Consists of fuel costs for pumps at stations 2, 4 & 5. YTD is right in line with budget.

Line 27 Emer Incident Meals & Misc.: Includes food and lodging costs associated with strike teams. YTD is at 61% of budget due to emergency response in the first & second quarter of the fiscal year.

Line 30 Equipment & Services: Includes station equipment, computer equipment, tools, and services. YTD is at 65% of budget due to the purchase of computer software in July to move files to the cloud. This will be an ongoing expense for future years.

Line 31 CSA Medical Expenses: Includes all medical supplies. YTD is under budget due to timing of needs for supplies.

Line 32 Safety Equipment & PPE: Includes all the safety clothing and boots, as well as safety equipment such as firefighting foam and rescue bags. YTD is under budget due to when equipment is needed and purchased.

Line 33 Repairs & Maintenance: Consists of repairs and maintenance on generators, elevators, and office equipment. YTD is at 58% of budget and will trend over or under budget due to needs and timing of repairs and maintenance.

Line 34 Supplies & Permits: Includes permits for hazardous material and generators, along with supplies. YTD is over budget at 60% due to more permit renewals in the beginning of the fiscal year.

Line 37 Professional Services: Includes services for human resources, legal, weed abatement and miscellaneous other services. YTD under budget due to timing of services needed.

Line 38 Professional Dev & Training: Includes education reimbursement, and conferences for safety, admin, and fire prevention. This account will trend over or under budget due to when conferences attended, and education/training reimbursements requested.

Line 39 County Admin Costs: This is the administrative fee that the county charges for processing tax apportionments. YTD is under budget due to majority of County fees being assessed in January.

Line 40 Liability Insurance: Consists of business and auto insurance. Payment is made annually in July.

Line 41 Memberships & Subscriptions: Includes membership and subscriptions for various associations. YTD is over budget due to majority of renewals due in the beginning of the fiscal year.

Line 42 Misc. Fees & Notices: Includes fees for health administrative fee, public education materials, elections, LAFCO and weed abatement notices. YTD is 67% of budget due to majority of fees in the beginning of the fiscal year.

Line 43 Meetings & Special Events: Consists of expenses for weekly leadership meetings, quarterly staff meetings, badge ceremonies and employee appreciation. YTD is at 12% of budget due to fewer meetings in the first half of the fiscal year.

Line 44 Office Expenses: Includes all office supplies, post office box rental, mail delivery service, and postage. This account will trend under or over budget due to postage and office supply needs.

Line 47 Capital - Facilities: Budget includes improvements or upgrades to facilities. Current year budget consists of remodeling station 6 and carpet replacement in 2 stations. Station 6 remodeling has begun and will continue through the fiscal year.

Line 48 Capital - Apparatus: Budget includes type 6 engine purchase.

Line 49 Capital – Equipment: Budget includes the process of implementation of new accounting software and purchase of various equipment.

Line 50 Capital – Vehicle: Budget includes new command and staff vehicle.

Line 51 Depreciation Expense: Includes depreciation expense, a noncash item. YTD depreciation expense will be finalized during audit to include new capital items.

Line 54 Net Income: This is Revenues minus Expenses. Overall, the District is showing net loss through December which aligns with the approved budget.

Check No.	Amount	Vendor	Purpose
35822	\$713.33	Aair Purification Systems	Building: RSF4
35823	\$740.00	Accme Janitorial Service Inc	Building: Admin
35824	\$379.42	AT&T Calnet 2/3	Utilities: Admin, RSF1, RSF3
35825	\$1,711.00	C.A.P.F.	Disability Ins Short & Long
35826	\$113.47	Caccavo, Alicea I.	Meetings/M meal Expenses
35827	\$2,370.00	Cielo Village Partners LP	Building: Admin
35828	\$3,549.50	County of SD/RCS	Radios; Dispatching
35829	\$552.25	Cox Communications	Utilities: RSF5
35830	\$1,825.00	CPH HR Consulting	Consulting Services- Financial
35831	\$8,810.00	CSDA	Subscriptions
35832	\$468.00	Dependable Alarm Systems Inc	Utilities: RSF2
35833	\$2,209.78	Direct Energy Business-Dallas	Utilities: RSF1
35834	\$130.88	Dish	Utilities: RSF6
35835	\$474.41	EDCO Waste & Recycling Inc	Utilities: RSF5, RSF6
35836	\$1,483.34	HANNA PLUMBING & SUPPLY INC	Building: RSF1
35838	\$2,512.65	Industrial Commercial Systems, Inc.	Building: RSF3, RSF6
35839	\$698.00	IPMA	Admin - Local Conf/Seminars
35840	\$500.00	K & K Coatings	Building: Admin
35841	\$525.00	K & M Pest Solutions	Building: Admin & All Stations
35843	\$116.13	Life-Assist Inc	CSA-17 Contract
35844	\$506.10	Lincoln National Life Ins Co	Life Insurance/EAP
35845	\$5,216.78	MES California	SCBA
35845	\$5,216.78	MES California	Fire Hose, Nozzles & Supply
35846	\$320.00	Nelson, Blaine	Suppression - Conf/Seminars
35847	\$1,554.55	Olivenhain Municipal Water District	Utilities: RSF2, RSF3, RSF4
35848	\$2,500.00	Pun Group	Accounting - Audit Services
35849	\$179.50	Race Telecommunications, Inc	Utilities: RSF1
35850	\$428.53	Rincon Del Diablo Municipal Water Di	Utilities: RSF5
35851	\$805.20	Robert Half International	Temporary Labor
35852	\$120.00	RSF Mail Delivery Solutions	Office Supplies
35853	\$50.00	RSF Security Inc	Utilities: RSF5
35854	\$666.14	Santa Fe Irrigation District	Utilities: RSF1
35855	\$5,733.21	SC Commercial LLC	Fuel: Gasoline & Diesel
35856	\$894.52	SDG&E	Utilities: RSF6
35857	\$400.00	Streamline	Website Redesign
35858	\$683.52	ThyssenKrupp Elevator Inc	Elevator

Check No.	Amount	Vendor	Purpose
35859	\$12,704.72	U S Bank Corporate Payment System	Cal-Card./IMPAC program
35860	\$166.60	ULINE	Janitorial Supplies
35861	\$1,626.81	Verizon Wireless	CSA-17 Contract, Cellular
35862	\$2,287.18	Waste Management Inc	Utilities: RSF1, RSF2, RSF3, RSF4
35863	\$130.98	Airgas Inc	SCBA
35864	\$74.19	AT&T	Utilities: RSF6
35865	\$1,659.27	AT&T Calnet 2/3	Utilities: Admin, RSF2, RSF3, RSF4, RSF6
35866	\$948.78	Blend	Outside Printing & Binding
35867	\$38,900.00	Build Masters Construction	Remodel
35868	\$328.47	Calolympic Safety Inc	Generator
35869	\$250.00	Chapin, Nicholas	CSA-17 Contract
35870	\$41.37	Charter Communications Holdings, LLC	Utilities: RSF4
35871	\$900.33	Cintas Corporation No 2	Foam & Extinguishers
35872	\$3,175.66	COR Security Inc	Building: RSF1, RSF2, RSF4, RSF5
35873	\$633.00	County of San Diego, DEH	Permits
35874	\$3,604.00	D&W Consulting, Inc.	Subscriptions
35875	\$409.67	Fire ETC Inc	Equipment - Minor
35876	\$12,333.94	First Due Elevator Rescue	Training Equipment/Supplies; Suppression - Conf/Seminars
35877	\$6,530.41	Fitch Law Firm Inc	Legal Services
35878	\$706.25	Global Door & Gate Inc.	Building: RSF2
35879	\$4,920.43	Home Depot, Inc	Building: RSF1, RSF4, RSF5, RSF6; Remodel; Apparatus; Apparatus: Tools; Training Equipment/Supplies; Station Supplies; Fire Prevention Dept - Material/Supplies
35880	\$107.12	Konica Minolta Business Inc	Copier Maintenance Contract
35881	\$280.42	Montagne, Sarah	Admin - Conf/Seminars; Office Supplies
35882	\$92.35	Rincon Del Diablo Municipal Water Di	Utilities: RSF5
35883	\$234.73	San Diego Union-Tribune, LLC	Subscriptions
35884	\$4,314.57	SC Commercial LLC	Fuel: Gasoline & Diesel
35885	\$12,442.79	SDG&E	Utilities: Admin, RSF1, RSF2, RSF3, RSF4 RSF5
35886	\$32.00	State of CA Dept of Justice	New Hires & Backgrounds
35887	\$117.10	Charter Communications Holdings, LLC	Utilities: Admin
35888	\$383.00	County of San Diego, DEH	Permits
35889	\$246.97	Diamond Environmental Svcs, LP	Remodel
35890	\$20.72	Escondido Metal Supply	Building: RSF5
35891	\$760.62	Golden Telecom Inc	Remodel
35892	\$1,895.21	MES California	SCBA

Check No.	Amount	Vendor	Purpose
35893	\$178.50	Napa Auto Parts Inc	Apparatus
35894	\$402.75	Nationwide Medical Surgical Inc	CSA-17 Contract
35895	\$1,316.84	Robert Half International	Temporary Labor
35896	\$1,556.42	SC Commercial LLC	Fuel: Gasoline & Diesel
35897	\$121.65	Shred it Stericycle	Office Supplies
35898	\$7,500.00	WinTech Computer Services	Consulting Services
35899	\$1,216.14	About Service Inc	Apparatus: Repair
35900	\$229.51	Allstar Water Systems Inc	Building: Admin, RSF6
35901	\$717.82	American Medical Response Inc	CSA-17 Contract
35902	\$408.45	AT&T	Utilities: RSF1, RSF2, RSF3, RSF5
35903	\$1,141.74	B & B Appliance Service Dept	Building: RSF4
35904	\$40,430.00	Build Masters Construction	Remodel
35905	\$1,711.00	C.A.P.F.	Disability Ins Short & Long
35906	\$179.00	Concentra	Background Investigation
35907	\$1,616.25	CPH HR Consulting	Consulting Services - Financial
35908	\$5,123.20	Direct Energy Business-Dallas	Utilities: RSF1
35909	\$140.88	Dish	Utilities: RSF6
35910	\$456.40	FailSafe Testing	Ladder Testing
35911	\$274.76	Fire ETC Inc	Building: RSF2
35912	\$58.16	Griffin Hardware Co.	Station Supplies
35913	\$5,435.39	Guardian Life Insurance Co	Med/Dental Insurance; Med/Dental - Retiree-Former Employees
35915	\$7,881.92	Industrial Commercial Systems, Inc.	Building: RSF6
35916	\$490.00	K & K Coatings	Building: RSF1
35917	\$393.38	L N Curtis & Sons Inc	Equipment - Minor
35918	\$426.69	Lava Propane, LLC	Utilities: RSF6
35919	\$511.50	Liebert Cassidy Whitmore	Legal Services; Litigation Expenses
35920	\$791.42	Lincoln National Life Ins Co	Life Insurance/EAP
35922	\$2,326.47	Olivenhain Municipal Water District	Utilities: RSF2, RSF4, RSF6
35923	\$302.70	Pitney Bowes Inc	Office Supplies
35924	\$2,180.75	Robert Half International	Temporary Labor
35926	\$3,155.44	SC Commercial LLC	Fuel: Gasoline & Diesel
35927	\$17.97	Schaffer, Dan	Prevention - Conference/Seminars
35928	\$64,883.95	SD Sports Medicine & Fam Hlth Ctr	Wellness Services
35931	\$2,358.72	Verizon Wireless	Cellular, CSA-17 Contract
EFT000000000809	\$286.00	Benz, Curtis	Suppression - Conf/Seminars
EFT000000000810	\$286.00	Schieber, Michael "Scott"	Suppression - Conf/Seminars

Rancho Santa Fe Fire Protection District

EFT000000000811	\$725.00	Sanford, Nathan
Various	\$19,532.41	Medical Reimbursements
	\$345,181.83	

ACH Transfer	\$178,719.18	CalPERS
ACH Transfer	\$89,021.07	CalPERS
Subtotal	\$267,740.25	

12/15/2022	\$381,291.01	Payroll
12/15/2022	\$183,466.13	Payroll
12/28/2022	\$1,182.27	Payroll
12/28/2022	\$3,495.60	Payroll
12/31/2022	\$296,067.30	Payroll
Subtotal	\$865,502.31	

Total	\$1,478,424.39	
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List of Demands - December 2022

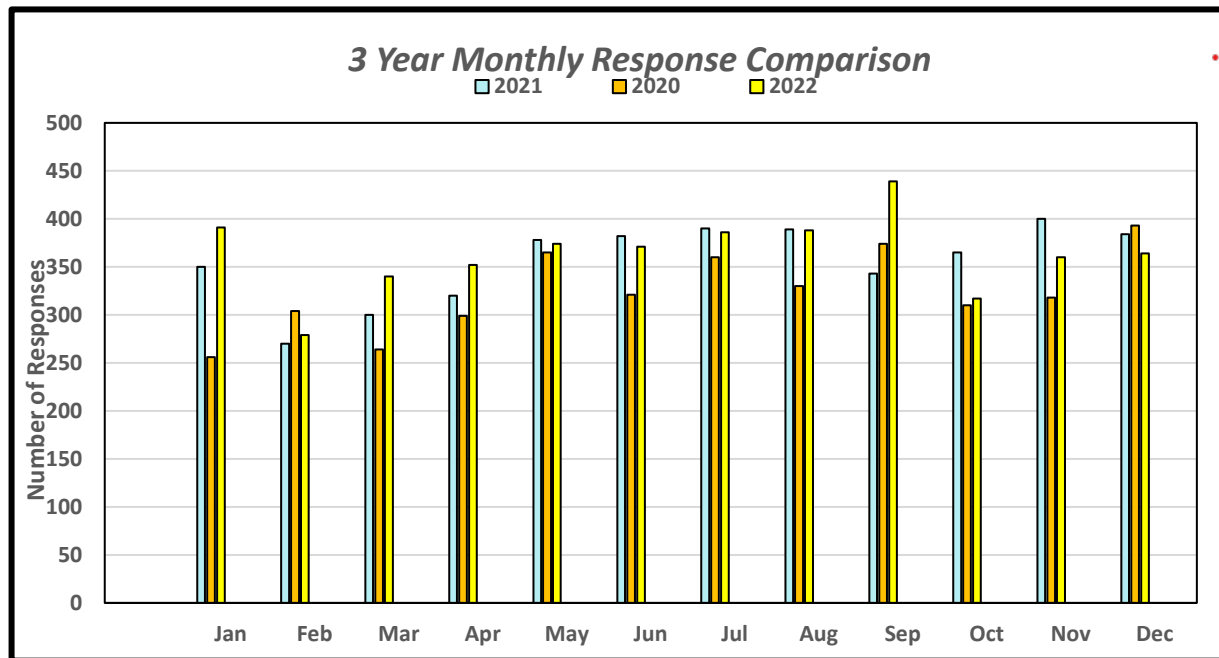
Suppression - Conf/Seminars; CSA-17 Contract

November 2022 Retirement
January 2023 Health

RSFFPD
Holiday & Comp
FLSA
Holiday
RSFFPD

Rancho Santa Fe Fire Protection District Operations Report

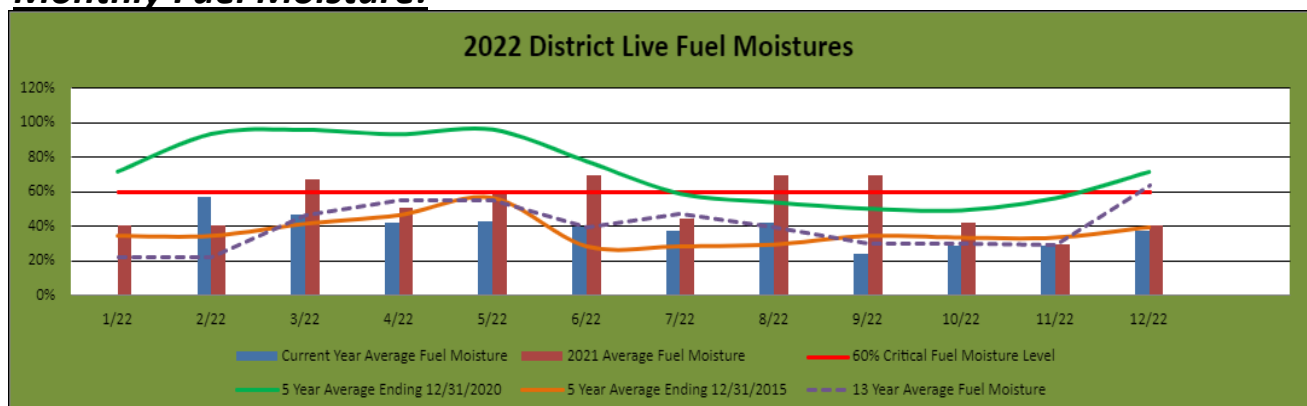
January 2023



3 Year Call Volume Tracker:

2022		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD Responses
	Responses	391	279	340	352	374	371	386	388	439	317	360	364	4,361
	YTD	391	670	1010	1362	1736	2107	2493	2881	3320	3637	3997	4361	
2021		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD Responses
	Responses	350	270	300	320	378	382	390	389	343	365	400	384	4,271
	YTD	350	620	920	1240	1618	2000	2390	2779	3122	3487	3887	4271	
2020		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD Responses
	Responses	256	304	264	299	365	321	360	330	374	310	318	393	3,894
	YTD	256	560	824	1123	1488	1809	2169	2499	2873	3183	3501	3894	

Monthly Fuel Moisture:

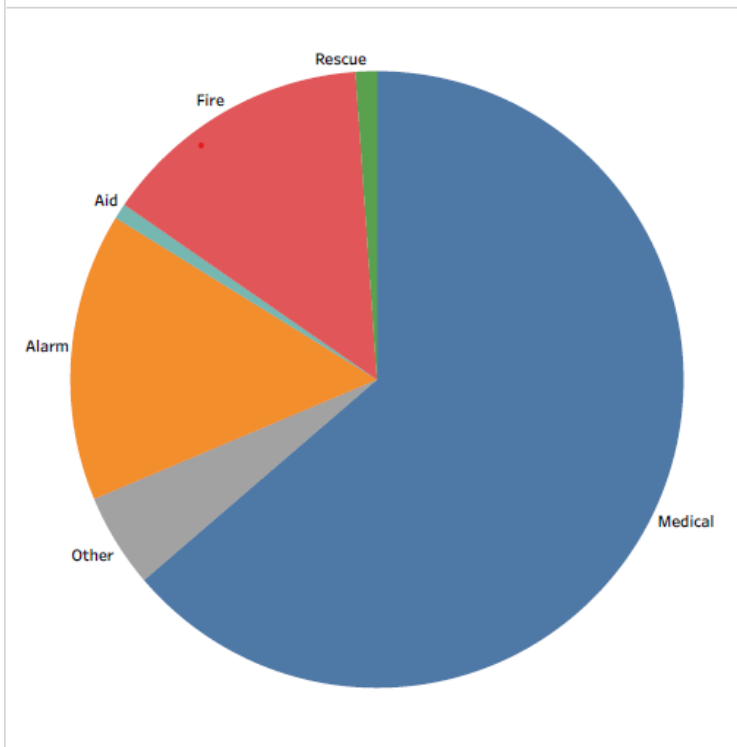


Rancho Santa Fe Fire Protection District Operations Report

January 2023

Monthly Incidents

Assigned Incidents for RANCHO SANTA FE FPD
December 2022



Agency
RANCHO SANTA FE FPD

Month and Year
December 2022

Medical	232 incidents / 63.74%
Fire	52 incidents / 14.29%
Alarm	55 incidents / 15.11%
Aid	3 incidents / 0.82%
Rescue	4 incidents / 1.10%
Other	18 incidents / 4.95%
Grand Total	364 incidents / 100.00%

Problem Category

- Medical
- Other
- Alarm
- Aid
- Fire
- Rescue

Assigned incidents for all RANCHO SANTA FE FPD units.

Data Last Updated: 1/5/2023 9:03:21 AM UTC

Significant Incidents:

Date:	Incident:	Units Assigned:
12/10/2022	Rescue TC - Del Dios Hwy	B261, E264, E265, S266, M264, SUP237
12/19/2023	CPR Save - Fairbanks Ranch Country Club	E263, M237

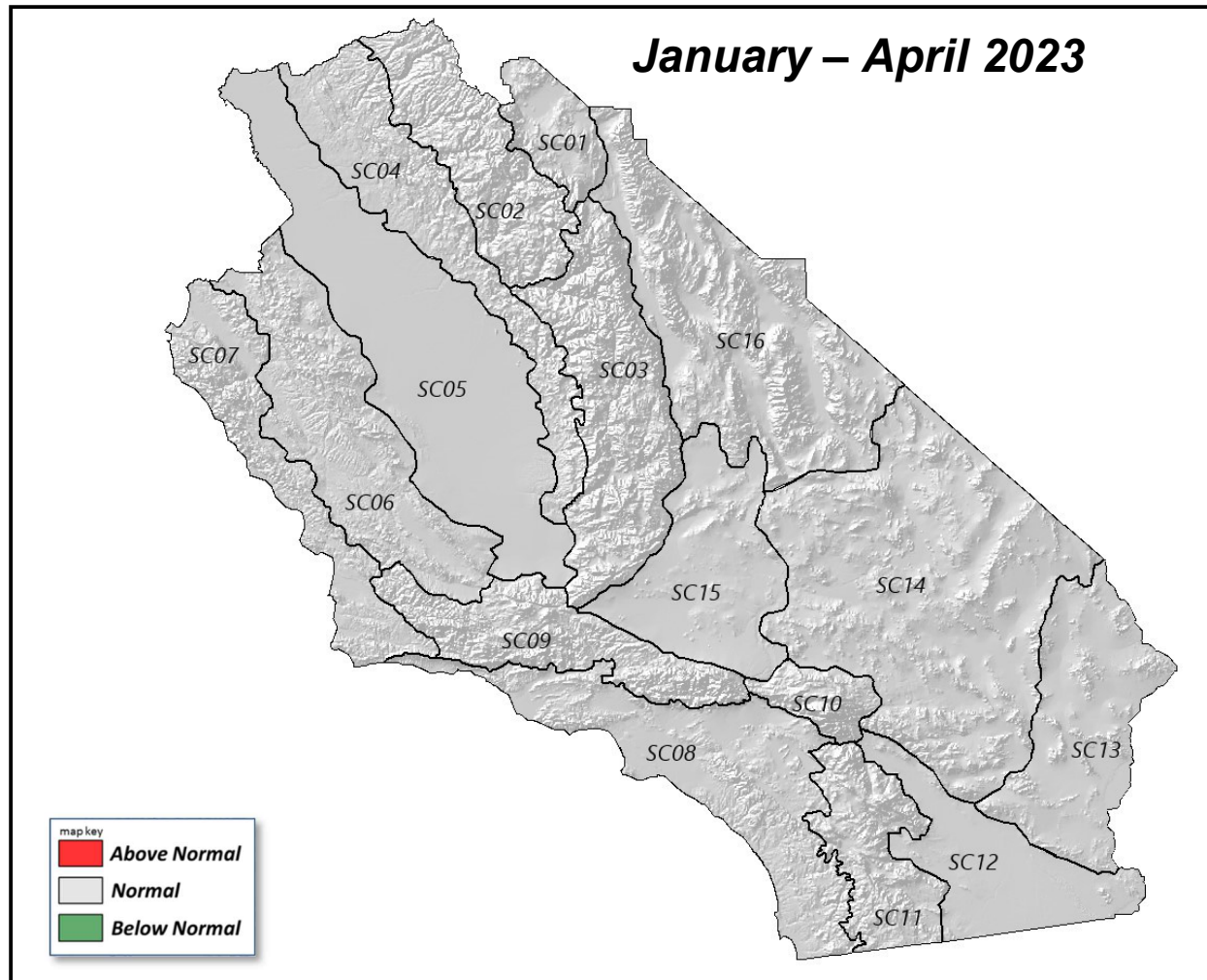
Covid-19 Agency Status: Total tested positive since Jan 11, 2023

	Positive
Fire Suppression Personnel	0
Administration and Prevention	0

MONTHLY/SEASONAL OUTLOOK

ISSUED: JAN. 1, 2023 VALID: JANUARY – APRIL, 2023

4-Month Significant Fire Potential:



January – April 2023 Highlights:

- La Niña will continue through the winter, but is expected to weaken by late spring or Summer.
- Temperatures will likely average above normal through April.
- Below normal precipitation expected, especially in January and February
- The 2022 – 2023 winter “rainy season” will likely finish below normal again this season.
- Long term drought will continue into 2023.

MONTHLY/SEASONAL OUTLOOK

ISSUED: JAN. 1, 2023 VALID: JANUARY – APRIL, 2023

Weather Discussion

A pair of strong winter storms brought widespread and beneficial wetting rain and mountain snow at the beginning of December. One storm arrived on the 3rd and 4th, which impacted Central and Northern CA. A second, more powerful, storm brought heavy rain to Central and Southern CA on the 10th. The two storms summed together resulted in one of wettest Decembers of the past few years.

The second storm in particular had abundant moisture available, resulting in especially heavy precipitation on west and southwest aspects of the Central Coast and the transverse ranges of Southern CA. Local amounts of over 2' of rain occurred on the central coast and over 12" was recorded in areas of the Sierra Foothills and the mountains of Santa Barbara County to Los Angeles County. Lighter amounts occurred south and east of Los Angeles County, but even there, amounts were enough to keep fire activity minimal the rest of the month.

Temperatures were generally cooler than normal in December due to the two storms and frequent cold air intrusions across the Great Basin. Offshore wind events last month were very minor and inconsequential. Tule Fog developed around the 17th across the San Joaquin Valley which was very persistent the week of the 19th. But, later in the month, strong ridging over the Eastern Pacific drew closer to the region, resulting in warmer than normal conditions around the 25th. However, due to the cold temperatures early and late in the month, most of the Geographic Area would finish the month of December with below normal temperatures

Fig 1: Nov. – Dec. 2022 Departure from Av. Temp.

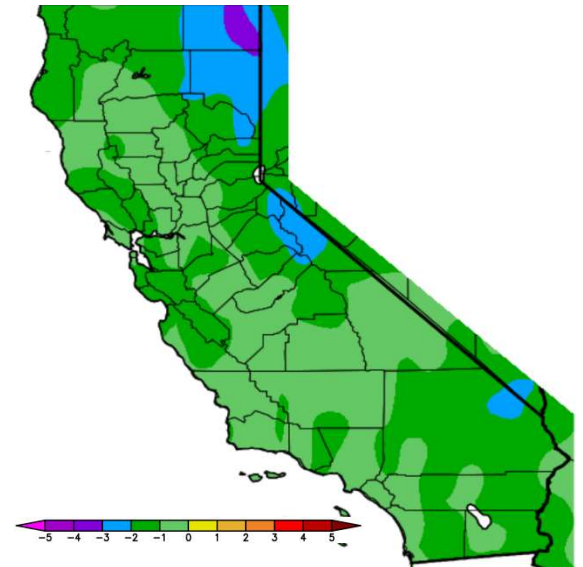


Fig 2: Nov. – Dec. 2022 Precipitation (% of Ave.)

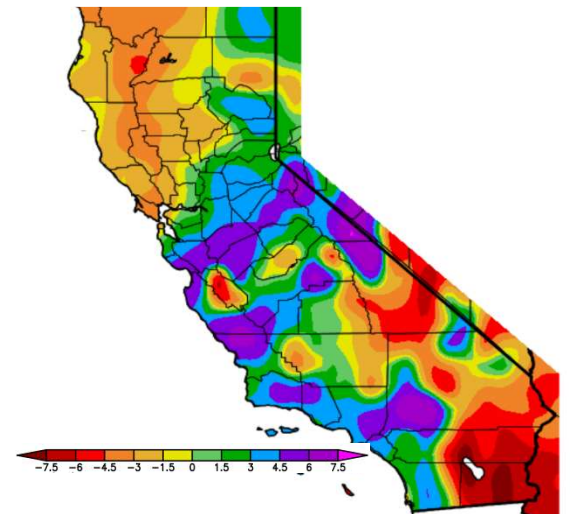
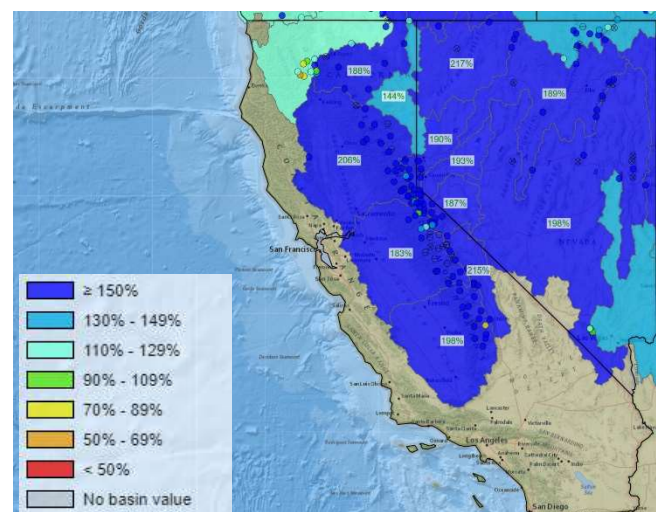


Fig 3: Basin Av. % Snow water equivalent (SWE)



Fuels Discussion

The storms of December brought a wholesale change in fuel conditions. Dead fuel moisture (DFM) was at near record low levels at the beginning of December, but by the middle of the month, DFM was well above average. Seasonal grasses began to grow rapidly at elevations below 3,000 feet and, at the time of this writing, many areas of Southern CA have an extensive grass crop. Some native shrubs are showing new growth and leaves, but more substantial growth is still a few weeks' worth of warmer weather away.

Snowpack totals climbed to well above normal levels across the Sierras with snow water equivalent (SWE) figures over 150% over most watersheds of Central CA. The Sierras over 7,000 feet are covered under several feet of snow, but there has been some meltout in open areas of the Foothills.

The combination of extensive grass growth at lower elevations and deep snow in the high country should keep fire potential minimal the next few weeks. However, DFM may drop low enough to allow for ignition in finer fuels between these two zones – especially in areas from 3,000 feet or so to around 6,000 feet – if dry, windy conditions return in January and February.

Fig 4: Drought Monitor Dec. 15th, 2022

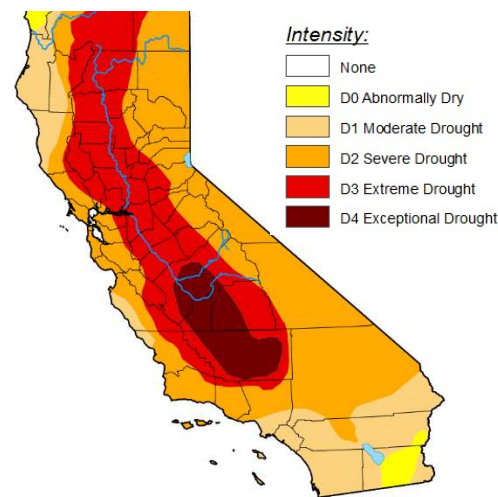


Fig 5: Sierra SWE content, % of Average

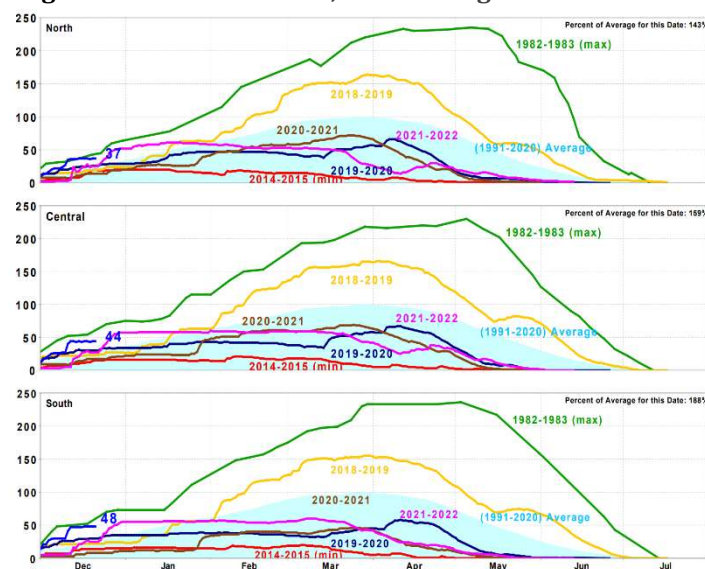
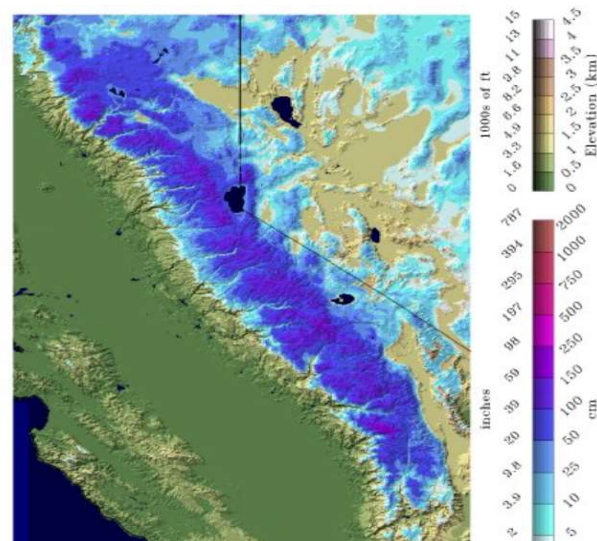


Fig 6: Sierra Snow Depth



MONTHLY/SEASONAL OUTLOOK

ISSUED: JAN. 1, 2023 VALID: JANUARY – APRIL 2023

SOUTH OPS OUTLOOK

A La Niña remains in place across the equatorial Pacific, but there are signs that the strength of the negative ENSO index is beginning to wane. According to the latest outlook from the Climate Prediction Center (CPC), there is a 71% chance of an ENSO-neutral condition developing during the February through April 2023 time period. Indeed, the depth and areal coverage of water than normal Sea Surface Temperatures (SST) appears to be shrinking and there is a good probability that neither a La Niña nor an El Niño will be impactful by the spring.

What might a slowly dissipating La Niña might mean for the upcoming winter and early spring months? Looking at recent monthly precipitation and SST charts, 2012 might be the closest analog year. If the composite of long range models is correct, the ENSO index should be around -0.5°C below normal by March 2023, which is similar to what was recorded in 2012. That year, the ENSO was trending upward after a prolonged period of La Niña conditions (23 consecutive months of -0.4°C vs the current 28+ months... and counting).

The 2012 rainy season started off relatively wet before conditions turned drier in January and February. But there was a “late precipitation rally” in March and April when well above normal precipitation was recorded. In fact, during that season, March and April were far wetter than the December-February time periods (the climatologically wettest months of the year for most of South Ops). While there are other factors that govern synoptic scale weather patterns across the Pacific, the ENSO is one of the most significant in determining winter and spring precipitation.

Given the expectation of a decreasing ENSO signal, we are expecting a below average period of precipitation from January to February, followed by wetter than normal conditions in March and April. Temperatures are expected to be above normal overall, especially across inland areas. DFM will trend below normal and there will be some fire potential during offshore wind events (a near normal frequency is expected). Live fuels should; however, keep large fire potential low the next few months. Seasonal grasses will begin to cure in March, but the expectation of wetter weather in the early spring may forestall “grass fire season for a few weeks. Large fire potential, thus, may remain near normal until May, then an above normal potential may return for the rest of the spring.

Fig 7: NMME Precip. forecast January, 2023

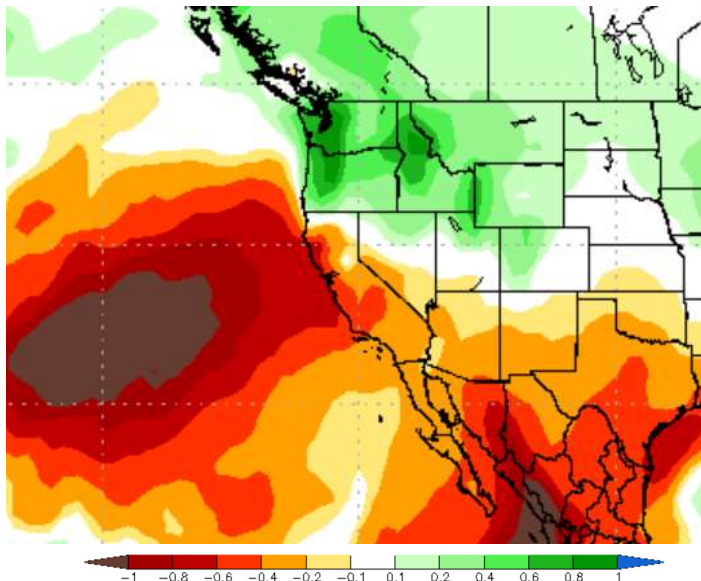
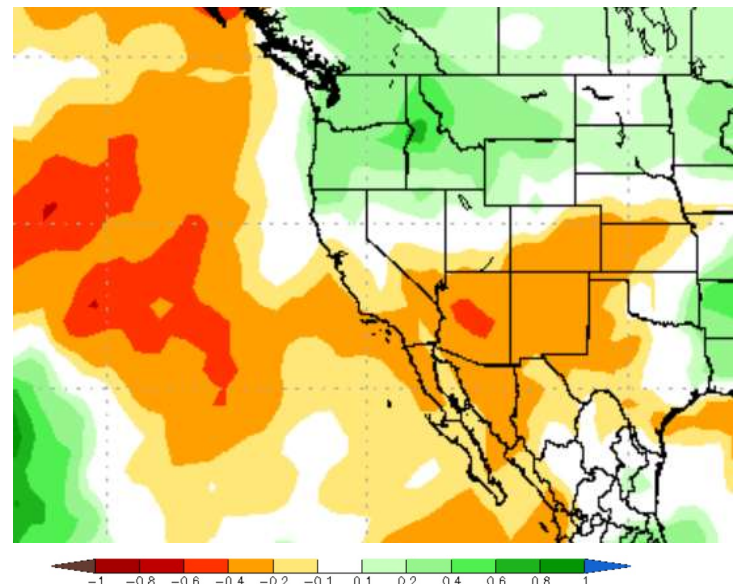


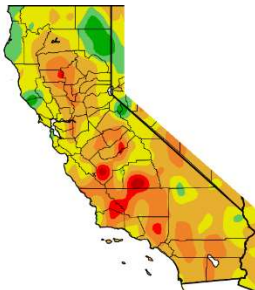
Fig 8: NMME Precip Forecast March, 2023



References:

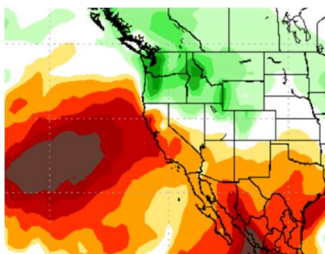
Climate Maps:

<https://calclim.dri.edu/pages/anommaps.html>



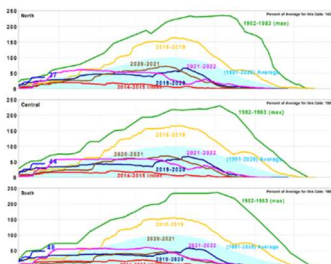
North American Multi Model Ensemble:

<https://www.cpc.ncep.noaa.gov/products/NMME/monanom.shtml>



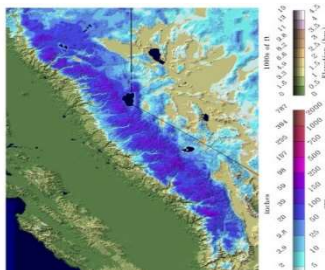
Sierra Average Snowpack:

http://cdec.water.ca.gov/reportapp/javareports?name=PLOT_SWC



Snow Depth:

https://www.nohrsc.noaa.gov/nsa/index.html?region=Sierra_Nevada&year=2022&month=12&day=21&units=e



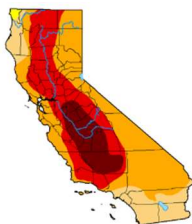
National Water and Climate Center:

<https://www.nrcs.usda.gov/wps/portal/wcc/home/>

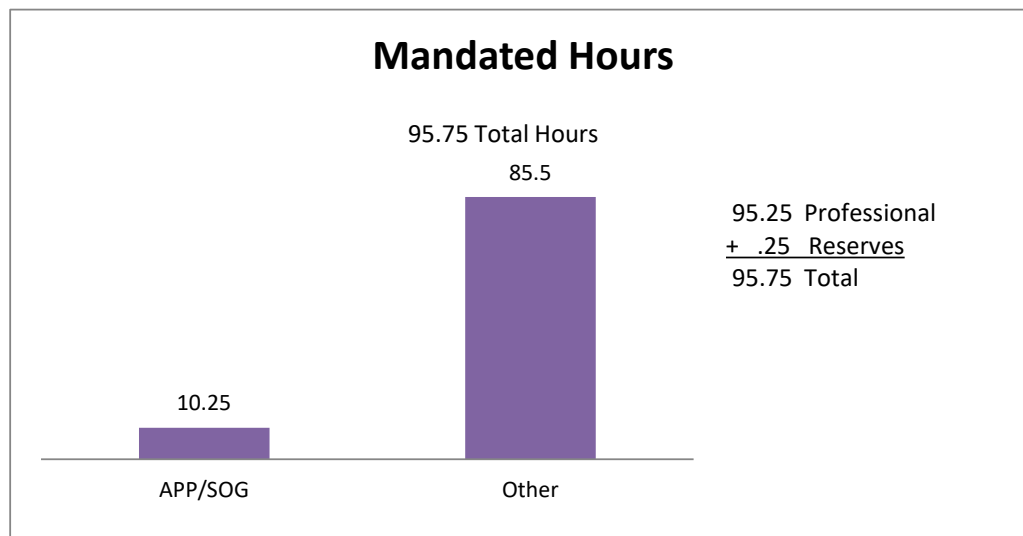
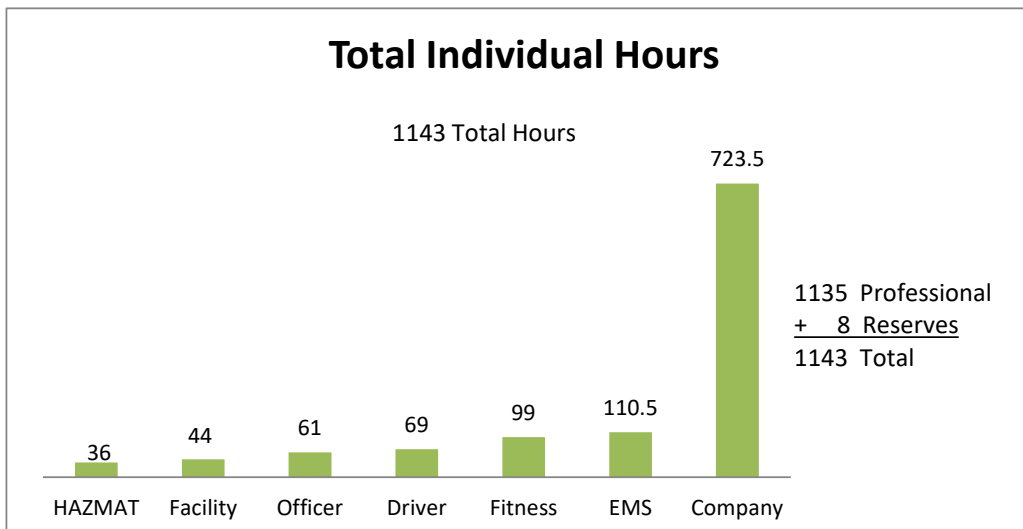
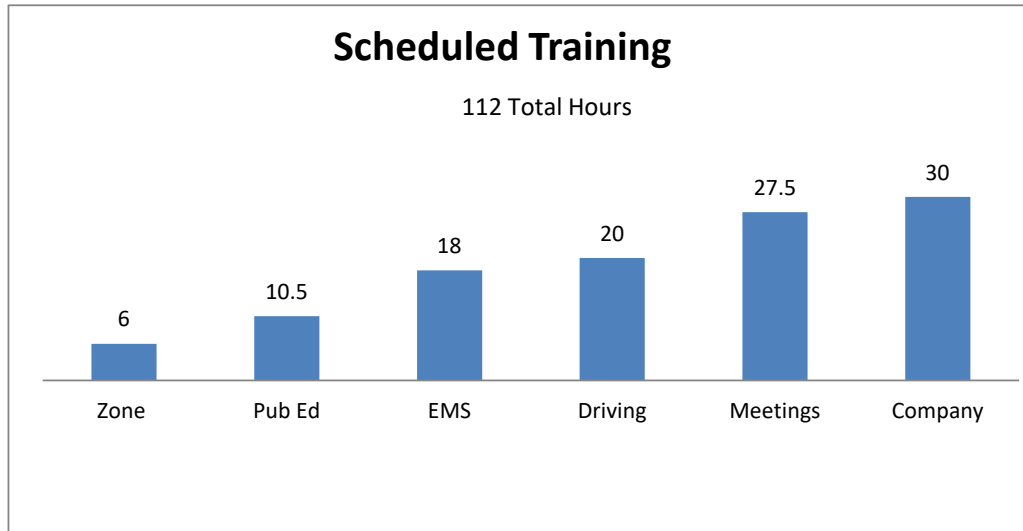


National Drought Monitor:

<https://droughtmonitor.unl.edu/>



Training Division December 2022



See next page for descriptions.

Training Division - Descriptions

Scheduled Training		
Training hours are planned annually. This is to maintain a well organized year and to help the firefighters be successful with the hours required by Federal, State, Local.		
Total Individual Hours - 6 Subjects		
Subject	Definition	Examples
Company	Documentation of all Company Training that is not Driver, Officer, Haz-Mat, or Facility Training.	Aerial Ladder, Hose, Ladders, Physical Fitness, SCBA, Technical Rescue, Ventilation, etc.
Driver	This is for documenting Driver Training hours. Per ISO standards employees considered a "Driver" will be required to complete 12 hours of Driver Training annually. You can use this same form to record Driver Training hours for Non-Drivers and it will be counted towards Company Training.	Apparatus Inspections & Maintenance, Basic Hydraulics, Defensive Driving, Maps, Driving Heavy Vehicles, Etc.
Facility	This is live training conducted at an approved site. For the location to be approved it must have at least two acres on the property, a three story tower, and a burn facility. It is also important to note that the training must not just occur on the approved site, but the facility itself must be used. If your users are just sitting in a classroom at an approved site, this cannot count towards facility hours and the completion would need to be applied elsewhere. However, if the classroom portion was followed by utilization of the facility, the entire time could count towards Facility Training.	Company Evolutions, NFPA 1410 Driver/Operator, NFPA 1002 Fire Officer, NFPA 1021 Firefighter Skills, NFPA 1001 Hazardous Materials, NFPA 472 Live Fire, NFPA 1403 Other NFPA Fire Based Training
HazMat	This is for documenting Hazardous Materials Training hours. Per ISO standards all firefighters are required to complete 6 hours of Hazardous Materials Training annually.	DOT Guidebook Review, Decontamination Procedures, First Responder Operations, Etc.
Officer	Per ISO standards employees considered a "Officer" will be required to complete 12 hours of Officer Training annually. You can use this same form to record Officer Training hours for Non-Officers and it will be counted towards Company Training.	Dispatch, General Education, Meetings, Orientation, Exam, Management Principles, Personnel, Promotional, Public Relations, Etc.
EMS	EMS is not tracked or required by Insurance service Organization for Rating. EMS Continuing Education is tracked for recertification of Paramedics (48/2yrs) and EMT (24/2yrs). Through Emergency Service Medical Administration (EMSA).	Continuing Education and SIMS
Mandated Hours		
Hours completed through an assignment on an online database (Target Solutions). Mandated assignments are required by either Federal, State, Local.		

PLAN REVIEWS					
Plan Type	# of New Reviews	# of Resubmittals	Approved New SQFT (Mit Fees)	SQFT Reviewed (No Mit Fees)	Total SQFT Reviewed
New Residential	14	2	15,853	82184	98037
Residential Additions/Remodels	12	5	6512	23734	30246
New Commercial	0	0	0	0	0
Commercial T.I.	16	0	0	75793	79819
Tents/Special Events	4	0	0	0	0
Rack Storage	0	0	0	0	0
Preliminary	5	3	0	18469	35842
Fire Suppression Systems	16	4	0	0	0
Alarms	2	0	0	0	0
Landscaping	25	3	0	0	0
Grading/Mylars/Improvement Plans	2	2	0	0	0
Underground	4	0	0	0	0
Hood System	0	0	0	0	0
Tanks	0	0	0	0	0
Cell Sites	4	0	0	0	0
DSS/CCL	0	0	0	0	0
DPLU	0	0	0	0	0
Solar Panels	5	0	0	0	0
High Piled Storage	0	0	0	0	0
High Hazard/Communications/Other	4	0	0	0	0
Spray Booth	0	0	0	0	0
Fire Protection Plans	0	0	0	0	0
Technical Reports	0	0	0	0	0
TOTAL	113	19	22365	200180	243,944

INSPECTIONS	
Inspection Type	# of Inspections
Alarms	1
Fire Supression Systems	16
Building Construction	17
Landscaping	3
Tent/Special Event	4
Gates/Knox	2
Site Visit	10
Technical Report/FPP	-
Underground	12
Annual Inspection	10
DSS Licensing	-
Other	10
TOTAL	85

SPECIAL PROJECTS	
Project Type	# of Projects
Grants	-
GIS	1
Forms (Updates/New)	-
Project Research	-
Computer Programming/I.T.	-
Emergency Response Support	-
Annual Mailer (Weed Abatement)	-
Board Report Formatting/ Design	1
Other	-
TOTAL	2

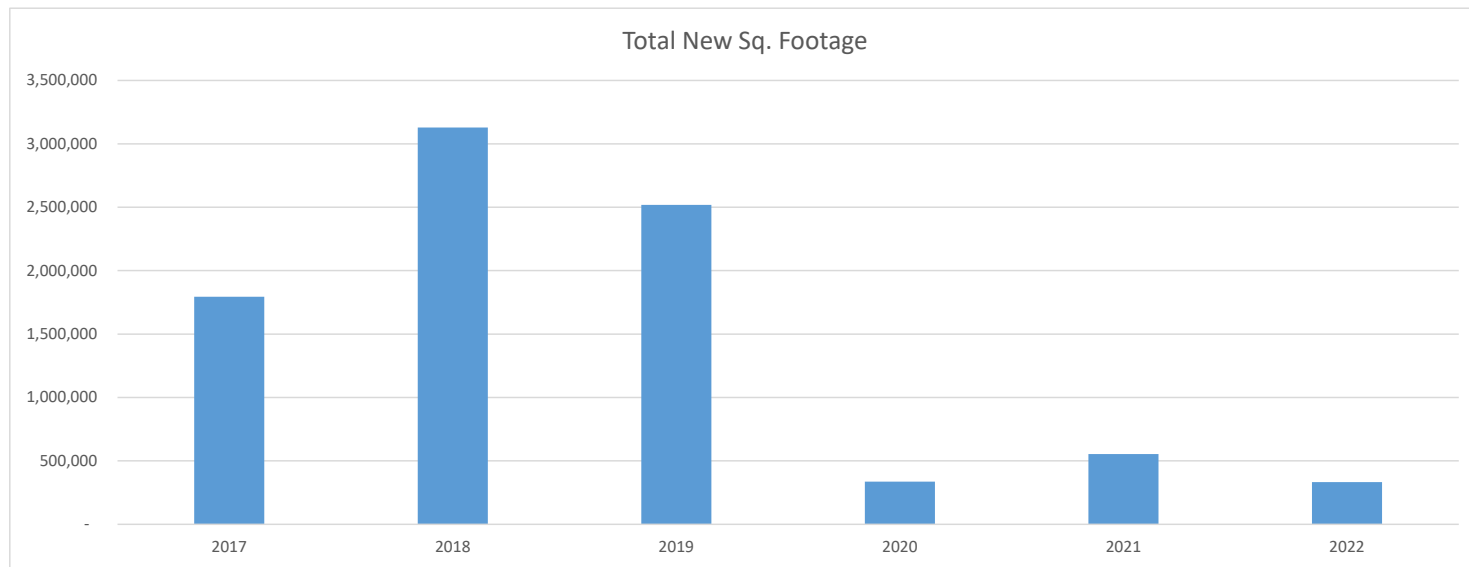
MEETINGS	
Meeting Type	# of Meetings
H.O.A	2
Staff	23
Board	1
On-Site Project Meetings	18
In-Office Project Meetings	12
Shift	-
Captain's	-
Weed Abatement	23
County	1
Code Development	-
Support/I.T. Development	-
San Diego County FPO's	6
Community Stakeholder Meetings	3
North Zone	-
Other	-
TOTAL	89

TRAINING/EDUCATION	
No. of Training Classes	Staff Hours
2	4
2	4
2	4
2	4
TOTAL	16

WEED ABATEMENT	
Activity	# of Inspections
Weed Abatement Inspection	-
Weed Abatement Reinspection	-
1st Notice	83
Final Notice	73
Posting	2
Notices Printed	282
Abated	127
Forced Abatement	-
TOTAL	567

OFFICE SUPPORT	
Activity	# Completed
Phone Calls	594
Correspondence	4,245
Walk in/Counter	2,058
Knox Application Request	2
Burn Permits	2
Plans Accepted/Routed	82
Special Projects	-
Scanning Documents/Electronic Files	206
Meetings: Admin/Prevention/Admin Shift	-
Post Office Runs	-
Deposit Runs/Preparations	3
TOTAL	7,192

Rancho Santa Fe Fire Protection District
Fire Prevention Bureau Monthly Activity Summary



Total New Square Footage (*Reflected in Chart Above)

Year	Total
2017	1,793,936
2018	3,128,964
2019	2,519,545
2020	336,899
2021	554,173
2022	333,814

Total New Square Footage Only

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2020	29,226	41,043	38,102	25,751	38,400	7,290	16,516	15,384	77,848	15,070	22,529	9,740
2021	29,808	23,298	50,000	29,760	7,104	19,361	24,413	1,794	33,357	106,768	99,103	129,407
2022	42,895	14,666	32,871	8,805	39,325	42,871	18,679	21,916	23,981	18,782	46,658	22,365

Comparison Total Reviewed Square Footage

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2019	240,861	691,306	274,736	307,024	412,556	248,869	287,395	424,065	250,518	742,439	440,335	137,995
2020	40,748	86,593	145,794	76,506	54,651	42,950	47,950	91,532	163,417	127,963	59,192	47,677
2021	90,462	89,135	111,456	98,218	118,557	151,000	203,116	254,055	312,253	204,313	171,023	137,116
2022	128,254	204,226	162,816	250,473	176,018	115,972	27,777	130,623	261,094	319,242	219,859	243,944

STAFF REPORT

NO. 23-00

TO: BOARD OF DIRECTORS
DAVE MCQUEAD, FIRE CHIEF

FROM: ALICEA CACCAVO, MANAGER, FINANCE & ADMINISTRATION

SUBJECT: SECTION 125 CAFETERIA PLAN

DATE: JANUARY 12, 2023



RECOMMENDATION

The Manager, Finance & Administration recommends the Board of Directors ratify, by Resolution the Section 125 Cafeteria plan.

STAFF ANALYSIS

The payroll process was recently shadowed by an independent consultant to verify that the processes in effect were being correctly administered.

One finding was that the District does not have a Section 125 Cafeteria Health Program in place. A Section 125 Cafeteria plan is an employer-sponsored benefit plan that allows for employees to pay for qualified medical expenses, such as health insurance premiums on a pre-tax basis.

After reviewing with legal counsel, the District was able to adopt the resolution required to create the plan to retro back to January 1, 2022, effectively offering employee health contributions on a pre-tax basis.

RESOLUTION 2023-00

A RESOLUTION OF THE FIRE CHIEF OF THE RANCHO SANTA FE FIRE PROTECTION DISTRICT ADOPTING A CAFETERIA PLAN

WHEREAS, the Rancho Santa Fe Fire Protection District (the "District") sponsors certain welfare benefit plans, including medical, vision, and dental insurance coverage plans, for the benefit of the District's eligible employees; and

WHEREAS, from time to time, participating employees are required to fund the cost of those benefits through deductions from their District salary; and

WHEREAS, under the tax laws, those salary deductions qualify as nontaxable if made under a "cafeteria plan" within the meaning section 125 of the Internal Revenue Code; and

WHEREAS, the District's Fire Chief believes it to be in the District's best interest to adopt a cafeteria plan.

NOW, THEREFORE, BE IT RESOLVED, that effective January 1, 2022, the Fire Chief hereby adopts the Rancho Santa Fe Fire Protection District Cafeteria Plan ("Plan") substantially in the form attached, with any revisions recommended by legal counsel.

RESOLVED FURTHER, that of the three benefits that may be offered under the Plan, pre-tax salary deductions, healthcare flexible spending account, and dependent care flexible spending account, only pre-tax salary deductions will be provided until subsequent action by District's Board of Directors or the Fire Chief.

ADOPTED, SIGNED, AND APPROVED THIS 30th day of December 2022.



Dave McQuead, Fire Chief

Ratified at a regular meeting of the Board of Directors of the Rancho Santa Fe Fire Protection District on January 18, 2023, by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

JAMES H ASHCRAFT
President

ATTEST:

Alicia Caccavo
Board Clerk

**RANCHO SANTA FE FIRE PROTECTION DISTRICT
CAFETERIA PLAN**

EFFECTIVE JANUARY 1, 2022

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**RANCHO SANTA FE FIRE PROTECTION DISTRICT
CAFETERIA PLAN**

INTRODUCTION

The Employer has adopted this Plan effective January 1, 2022, to recognize the contribution made to the Employer by its Employees. Its purpose is to reward them by providing benefits for those Employees who shall qualify hereunder and their Dependents and beneficiaries. The concept of this Plan is to allow Employees to choose among different types of benefits based on their own particular goals, desires and needs. The Plan shall be known as the Rancho Santa Fe Fire Protection District Cafeteria Plan (the "Plan").

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

**ARTICLE I
DEFINITIONS**

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

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

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

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

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

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

1.7 **"Dependent"** means any individual who qualifies as a dependent under Code Section 152 (as modified by Code Section 105(b)).

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

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

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

1.8 **"Effective Date"** means January 1, 2022 .

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

1.10 **"Eligible Employee"** means any Employee who is eligible to participate in the Employer's group health insurance plan.

An individual shall not be an "Eligible Employee" if such individual is not reported on the payroll records of the Employer as a common law employee. In particular, it is expressly intended that individuals not treated as common law employees by the Employer on its payroll records are not "Eligible Employees" and are excluded from Plan participation even if a court or administrative agency determines that such individuals are common law employees and not independent contractors.

1.11 **"Employee"** means any person who is employed by the Employer.

1.12 **"Employer"** means Rancho Santa Fe Fire Protection District and any successor which shall maintain this Plan; and any predecessor which has maintained this Plan. In addition, where appropriate, the term Employer shall include any Participating, Affiliated or Adopting Employer.

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

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

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

1.16 **"Plan Year"** means the 12-month period beginning January 1 and ending December 31. The Plan Year shall be the coverage period for the Benefits provided for under this Plan. In the event a Participant commences participation during a Plan Year, then the initial coverage period shall be that portion of the Plan Year commencing on such Participant's date of entry and ending on the last day of such Plan Year.

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

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

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

ARTICLE II PARTICIPATION

2.1 ELIGIBILITY

Every Eligible Employee is a Participant.

2.2 EFFECTIVE DATE OF PARTICIPATION

An individual will become a Participant on the first date he or she becomes an Eligible Employee .

2.3 APPLICATION TO PARTICIPATE

An Eligible Employee shall, during the applicable Election Period, complete an application to participate in a manner set forth by the Administrator. The election shall be irrevocable until the end of the applicable Plan Year unless the Participant is entitled to change his Benefit elections pursuant to Section 5.4 hereof. An Eligible Employee shall also be required to complete a Salary Redirection Agreement during the Election Period for the Plan Year during which he wishes to participate in this Plan. Any such Salary Redirection Agreement shall be effective for the first pay period beginning on or after the Employee's effective date of participation pursuant to Section 2.2.

2.4 TERMINATION OF PARTICIPATION

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

- (a) **Termination of employment.** The Participant ceases to be an Eligible Employee;
- (b) **Death.** The Participant's death, subject to the provisions of Section 2.6; or
- (c) **Termination of the plan.** The termination of this Plan, subject to the provisions of Section 10.2.

2.5 TERMINATION OF EMPLOYMENT

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

(a) **Dependent Care FSA.** With regard to the Dependent Care Flexible Spending Account, the Participant's participation in the Plan shall cease and no further Salary Redirection contributions shall be made. However, such Participant may submit claims for employment related Dependent Care Expense reimbursements for claims incurred through the remainder of the Plan Year in which such termination occurs and submitted within 90 days after the end of the Plan Year, based on the level of the Participant's Dependent Care Flexible Spending Account as of the date of termination.

(b) **COBRA applicability.** With regard to the Health Flexible Spending Account, the Participant may submit claims for expenses that were incurred during the portion of the Plan Year before the end of the period for which payments to the Health Flexible Spending Account have already been made. Thereafter, the health benefits under this Plan including the Health Flexible Spending Account shall be applied and administered consistent with such further rights a Participant and his Dependents may be entitled to pursuant to Code Section 4980B and Section 11.13 of the Plan.

2.6 DEATH

If a Participant dies, his participation in the Plan shall cease. However, such Participant's spouse or Dependents may submit claims for expenses or benefits for the remainder of the Plan Year or until the Cafeteria Plan Benefit Dollars allocated to each specific benefit are exhausted. In no event may reimbursements be paid to someone who is not a spouse or Dependent. If the Plan is subject to the provisions of Code Section 4980B, then those provisions and related regulations shall apply for purposes of the Health Flexible Spending Account.

ARTICLE III CONTRIBUTIONS TO THE PLAN

3.1 SALARY REDIRECTION

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

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

3.2 APPLICATION OF CONTRIBUTIONS

As soon as reasonably practical after each payroll period, the Employer shall apply the Salary Redirection to provide the Benefits elected by the affected Participants. Any contribution made or withheld for the Health Flexible Spending Account or Dependent Care Flexible Spending Account shall be credited to such fund or account.

3.3 PERIODIC CONTRIBUTIONS

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

ARTICLE IV BENEFITS

4.1 BENEFIT OPTIONS

To the extent permitted by the Employer in its sole discretion, each Participant may elect any one or more of the following optional Benefits:

- (1) Health Flexible Spending Account
- (2) Dependent Care Flexible Spending Account
- (3) Health Savings Account Benefit

4.2 HEALTH FLEXIBLE SPENDING ACCOUNT BENEFIT

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

4.3 DEPENDENT CARE FLEXIBLE SPENDING ACCOUNT BENEFIT

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

4.4 HEALTH SAVINGS ACCOUNT BENEFIT

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

4.5 NONDISCRIMINATION REQUIREMENTS

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

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

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

ARTICLE V PARTICIPANT ELECTIONS

5.1 INITIAL ELECTIONS

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

5.2 SUBSEQUENT ANNUAL ELECTIONS

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

(a) A Participant or Employee who failed to initially elect to participate may elect different or new Benefits under the Plan during the Election Period;

(b) A Participant may terminate his participation in the Plan by notifying the Administrator in writing during the Election Period that he does not want to participate in the Plan for the next Plan Year, or by not electing any Benefit options;

(c) An Employee who elects not to participate for the Plan Year following the Election Period will have to wait until the next Election Period before again electing to participate in the Plan, except as provided for in Section 5.4.

5.3 FAILURE TO ELECT

Any Participant failing to complete an election of benefits form pursuant to Section 5.2 by the end of the applicable Election Period shall be deemed to have elected not to participate in the Plan for the upcoming Plan Year. No further Salary Redirections shall therefore be authorized for such subsequent Plan Year.

5.4 CHANGE IN STATUS

(a) **Change in status defined.** Any Participant may change a Benefit election after the Plan Year (to which such election relates) has commenced and make new elections with respect to the remainder of such Plan Year if, under the

facts and circumstances, the changes are necessitated by and are consistent with a change in status which is acceptable under rules and regulations adopted by the Department of the Treasury, the provisions of which are incorporated by reference. Notwithstanding anything herein to the contrary, if the rules and regulations conflict, then such rules and regulations shall control.

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

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

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

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

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

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

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

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

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

(e) **Addition of a new benefit.** If, during the period of coverage, a new benefit package option or other coverage option is added, an existing benefit package option is significantly improved, or an existing benefit package option

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

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

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

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

(i) **Health Savings Account changes.** With regard to the Health Savings Account Benefit specified in Section 4.4, a Participant who has elected to make elective contributions under such arrangement may modify or revoke the election prospectively, provided such change is consistent with Code Section 223 and the Treasury regulations thereunder.

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

Conditions for revocation due to reduction in hours of service:

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

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

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

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

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

ARTICLE VI HEALTH FLEXIBLE SPENDING ACCOUNT

6.1 ESTABLISHMENT OF PLAN

This Health Flexible Spending Account is intended to qualify as a medical reimbursement plan under Code Section 105 and shall be interpreted in a manner consistent with such Code Section and the Treasury regulations thereunder. Participants who elect to participate in this Health Flexible Spending Account may submit claims for the reimbursement of Medical Expenses. All amounts

reimbursed shall be periodically paid from amounts allocated to the Health Flexible Spending Account. Periodic payments reimbursing Participants from the Health Flexible Spending Account shall in no event occur less frequently than monthly. This Health Flexible Spending Account is a "limited FSA" designed to coordinate with a Health Savings Account and high deductible health plan.

6.2 DEFINITIONS

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

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

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

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

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

A Participant may only be reimbursed for medical expenses that are considered to be for dental, vision or preventive care expenses as allowed under Code Section 223.

A Participant may not be reimbursed for the cost of any medicine or drug that is not "prescribed" within the meaning of Code Section 106(f) or is not insulin.

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

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

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

6.3 FORFEITURES

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

6.4 LIMITATION ON ALLOCATIONS

(a) Notwithstanding any provision contained in this Health Flexible Spending Account to the contrary, the maximum amount that may be allocated to the Health Flexible Spending Account by a Participant in or on account of any Plan Year is \$2700.

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

(c) **Carryover.** A Participant in the Health Flexible Spending Account may roll over up to \$500 of unused amounts in the Health Flexible Spending Account remaining at the end of one Plan Year to the immediately following Plan Year. These amounts can be used during the following Plan Year for expenses incurred in that Plan Year. Amounts carried over do not affect the maximum amount of salary redirection contributions for the Plan Year to which they are carried over. Unused amounts are those remaining after expenses have been reimbursed during the runout period. These amounts may not be cashed out or converted to any other taxable or nontaxable benefit. Amounts in excess of \$500 will be forfeited. The

Plan is allowed, but not required, to treat claims as being paid first from the current year amounts, then from the carryover amounts.

6.5 NONDISCRIMINATION REQUIREMENTS

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

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

6.6 COORDINATION WITH CAFETERIA PLAN

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

6.7 HEALTH FLEXIBLE SPENDING ACCOUNT CLAIMS

(a) **Expenses must be incurred during Plan Year.** All Medical Expenses incurred by a Participant, his or her Spouse and his or her Dependents during the Plan Year shall be reimbursed during the Plan Year subject to Section 2.5, even though the submission of such a claim occurs after his participation hereunder ceases; but provided that the Medical Expenses were incurred during the applicable Plan Year. Medical Expenses are treated as having been incurred when the Participant is provided with the medical care that gives rise to the medical expenses, not when the Participant is formally billed or charged for, or pays for the medical care.

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

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

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

6.8 DEBIT AND CREDIT CARDS

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

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

(b) **Card issuance.** Such card shall be issued upon the Participant's Effective Date of Participation and reissued for each Plan Year the Participant remains a Participant in the Health Flexible Spending Account. Such card shall

be automatically cancelled upon the Participant's death or termination of employment, or if such Participant has a change in status that results in the Participant's withdrawal from the Health Flexible Spending Account.

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

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

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

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

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

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

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

ARTICLE VII DEPENDENT CARE FLEXIBLE SPENDING ACCOUNT

7.1 ESTABLISHMENT OF ACCOUNT

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

7.2 DEFINITIONS

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

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

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

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

(1) If such amounts are paid for expenses incurred outside the Participant's household, they shall constitute Employment-Related Dependent Care Expenses only if incurred for a Qualifying Dependent as defined in Section 7.2(d)(1) (or deemed to be, as described in Section 7.2(d)(1) pursuant to Section 7.2(d)(3)), or for a Qualifying Dependent as defined in Section 7.2(d)(2) (or deemed to be, as described in Section 7.2(d)(2) pursuant to Section 7.2(d)(3)) who regularly spends at least 8 hours per day in the Participant's household;

(2) If the expense is incurred outside the Participant's home at a facility that provides care for a fee, payment, or grant for more than 6 individuals who do not regularly reside at the facility, the facility must comply with all applicable state and local laws and regulations, including licensing requirements, if any; and

(3) Employment-Related Dependent Care Expenses of a Participant shall not include amounts paid or incurred to a child of such Participant who is under the age of 19 or to an individual who is a Dependent of such Participant or such Participant's Spouse.

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

(1) a Participant's Dependent (as defined in Code Section 152(a)(1)) who has not attained age 13;

(2) a Dependent or the Spouse of a Participant who is physically or mentally incapable of caring for himself or herself and has the same principal place of abode as the Participant for more than one-half of such taxable year; or

(3) a child that is deemed to be a Qualifying Dependent described in paragraph (1) or (2) above, whichever is appropriate, pursuant to Code Section 21(e)(5).

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

7.3 DEPENDENT CARE FLEXIBLE SPENDING ACCOUNTS

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

7.4 INCREASES IN DEPENDENT CARE FLEXIBLE SPENDING ACCOUNTS

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

7.5 DECREASES IN DEPENDENT CARE FLEXIBLE SPENDING ACCOUNTS

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

7.6 ALLOWABLE DEPENDENT CARE REIMBURSEMENT

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

7.7 ANNUAL STATEMENT OF BENEFITS

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

7.8 FORFEITURES

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

7.9 LIMITATION ON PAYMENTS

(a) **Plan limits.** Notwithstanding any provision contained in this Dependent Care Flexible Spending Account to the contrary, the following limits apply. The maximum amount that may be allocated to the Dependent Care Flexible Spending Account by a Participant in or on account of any Plan Year is \$5000.

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

7.10 NONDISCRIMINATION REQUIREMENTS

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

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

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

7.11 COORDINATION WITH CAFETERIA PLAN

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

7.12 DEPENDENT CARE FLEXIBLE SPENDING ACCOUNT CLAIMS

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

- (a) The Dependent or Dependents for whom the services were performed;
- (b) The nature of the services performed for the Participant, the cost of which he wishes reimbursement;
- (c) The relationship, if any, of the person performing the services to the Participant;
- (d) If the services are being performed by a child of the Participant, the age of the child;
- (e) A statement as to where the services were performed;
- (f) If any of the services were performed outside the home, a statement as to whether the Dependent for whom such services were performed spends at least 8 hours a day in the Participant's household;
- (g) If the services were being performed in a day care center, a statement:
 - (1) that the day care center complies with all applicable laws and regulations of the state of residence,

- (2) that the day care center provides care for more than 6 individuals (other than individuals residing at the center), and
- (3) of the amount of fee paid to the provider.
- (h) If the Participant is married, a statement containing the following:
 - (1) the Spouse's salary or wages if he or she is employed, or
 - (2) if the Participant's Spouse is not employed, that
 - (i) he or she is incapacitated, or
 - (ii) he or she is a full-time student attending an educational institution and the months during the year which he or she attended such institution.
- (i) **Claims for reimbursement.** If a Participant fails to submit a claim within 90 days after the end of the Plan Year, those claims shall not be considered for reimbursement by the Administrator.

ARTICLE VIII BENEFITS AND RIGHTS

8.1 CLAIM FOR BENEFITS

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

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

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

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

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

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

8.2 APPLICATION OF BENEFIT PLAN SURPLUS

Any forfeited amounts credited to the benefit plan surplus by virtue of the failure of a Participant to incur a qualified expense or seek reimbursement in a timely manner may, but need not be, separately accounted for after the close of the Plan Year (or after such further time specified herein for the filing of claims) in which such forfeitures arose. In no event shall such amounts be carried

over to reimburse a Participant for expenses incurred during a subsequent Plan Year for the same or any other Benefit available under the Plan (excepting any carryover); nor shall amounts forfeited by a particular Participant be made available to such Participant in any other form or manner, except as permitted by Treasury regulations. Amounts in the benefit plan surplus shall be used to defray any administrative costs and experience losses or used to provide additional benefits under the Plan. No amounts attributable to the Health Savings Account shall be subject to the benefit plan surplus.

ARTICLE IX ADMINISTRATION

9.1 PLAN ADMINISTRATION

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

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

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

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

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

9.2 EXAMINATION OF RECORDS

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

9.3 PAYMENT OF EXPENSES

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

9.4 INDEMNIFICATION OF ADMINISTRATOR

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

ARTICLE X AMENDMENT OR TERMINATION OF PLAN

10.1 AMENDMENT

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

10.2 TERMINATION

The Employer reserves the right to terminate this Plan, in whole or in part, at any time. In the event the Plan is terminated, no further contributions shall be made.

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

ARTICLE XI MISCELLANEOUS

11.1 PLAN INTERPRETATION

All provisions of this Plan shall be interpreted and applied in a uniform, nondiscriminatory manner. This Plan shall be read in its entirety and not severed except as provided in Section 11.11.

11.2 GENDER AND NUMBER

Wherever any words are used herein in the masculine, feminine or neuter gender, they shall be construed as though they were also used in another gender in all cases where they would so apply, and whenever any words are used herein in the singular or plural form, they shall be construed as though they were also used in the other form in all cases where they would so apply.

11.3 WRITTEN DOCUMENT

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

11.4 EXCLUSIVE BENEFIT

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

11.5 PARTICIPANT'S RIGHTS

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

11.6 ACTION BY THE EMPLOYER

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

11.7 NO GUARANTEE OF TAX CONSEQUENCES

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

11.8 INDEMNIFICATION OF EMPLOYER BY PARTICIPANTS

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

11.9 FUNDING

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

11.10 GOVERNING LAW

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

11.11 SEVERABILITY

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

11.12 CAPTIONS

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

11.13 CONTINUATION OF COVERAGE (COBRA)

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

11.14 FAMILY AND MEDICAL LEAVE ACT (FMLA)

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

11.15 HEALTH INSURANCE PORTABILITY AND ACCOUNTABILITY ACT (HIPAA)

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

11.16 UNIFORMED SERVICES EMPLOYMENT AND REEMPLOYMENT RIGHTS ACT (USERRA)

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

11.17 COMPLIANCE WITH HIPAA PRIVACY STANDARDS

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

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

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

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

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

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

(i) investigation of the incident to determine whether the breach occurred inadvertently, through negligence or deliberately; whether there is a pattern of breaches; and the degree of harm caused by the breach;

(ii) appropriate sanctions against the persons causing the breach which, depending upon the nature of the breach, may include oral or written reprimand, additional training, or termination of employment;

(iii) mitigation of any harm caused by the breach, to the extent practicable; and

(iv) documentation of the incident and all actions taken to resolve the issue and mitigate any damages.

(e) **Certification.** The Employer must provide certification to the Plan that it agrees to:

(1) Not use or further disclose the information other than as permitted or required by the Plan documents or as required by law;

(2) Ensure that any agent or subcontractor, to whom it provides Protected Health Information received from the Plan, agrees to the same restrictions and conditions that apply to the Employer with respect to such information;

(3) Not use or disclose Protected Health Information for employment-related actions and decisions or in connection with any other benefit or employee benefit plan of the Employer;

(4) Report to the Plan any use or disclosure of the Protected Health Information of which it becomes aware that is inconsistent with the uses or disclosures permitted by this Section, or required by law;

(5) Make available Protected Health Information to individual Plan members in accordance with Section 164.524 of the Privacy Standards;

(6) Make available Protected Health Information for amendment by individual Plan members and incorporate any amendments to Protected Health Information in accordance with Section 164.526 of the Privacy Standards;

(7) Make available the Protected Health Information required to provide an accounting of disclosures to individual Plan members in accordance with Section 164.528 of the Privacy Standards;

(8) Make its internal practices, books and records relating to the use and disclosure of Protected Health Information received from the Plan available to the Department of Health and Human Services for purposes of determining compliance by the Plan with the Privacy Standards;

(9) If feasible, return or destroy all Protected Health Information received from the Plan that the Employer still maintains in any form, and retain no copies of such information when no longer needed for the purpose for which

disclosure was made, except that, if such return or destruction is not feasible, limit further uses and disclosures to those purposes that make the return or destruction of the information infeasible; and

(10) Ensure the adequate separation between the Plan and members of the Employer's workforce, as required by Section 164.504(f)(2)(iii) of the Privacy Standards and set out in (d) above.

11.18 COMPLIANCE WITH HIPAA ELECTRONIC SECURITY STANDARDS

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

(a) **Implementation.** The Employer agrees to implement reasonable and appropriate administrative, physical and technical safeguards to protect the confidentiality, integrity and availability of Electronic Protected Health Information that the Employer creates, maintains or transmits on behalf of the Plan. "Electronic Protected Health Information" shall have the same definition as set out in the Security Standards, but generally shall mean Protected Health Information that is transmitted by or maintained in electronic media.

(b) **Agents or subcontractors shall meet security standards.** The Employer shall ensure that any agent or subcontractor to whom it provides Electronic Protected Health Information shall agree, in writing, to implement reasonable and appropriate security measures to protect the Electronic Protected Health Information.

(c) **Employer shall ensure security standards.** The Employer shall ensure that reasonable and appropriate security measures are implemented to comply with the conditions and requirements set forth in Section 11.17.

11.19 MENTAL HEALTH PARITY AND ADDICTION EQUITY ACT

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

11.20 GENETIC INFORMATION NONDISCRIMINATION ACT (GINA)

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

11.21 WOMEN'S HEALTH AND CANCER RIGHTS ACT

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

11.22 NEWBORNS' AND MOTHERS' HEALTH PROTECTION ACT

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

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

Rancho Santa Fe Fire Protection District

By _____
EMPLOYER

STAFF REPORT

NO. 23-01

TO: BOARD OF DIRECTORS
DAVE MCQUEAD, FIRE CHIEF

FROM: ALICEA CACCAVO, MANAGER, FINANCE & ADMINISTRATION

SUBJECT: DISTRICT PAY SCHEDULE

DATE: JANUARY 12, 2023



RECOMMENDATION

The Manager, Finance & Administration recommends the Board of Directors adopt, by Resolution the District Pay Schedule in accordance with California Code of Regulations Title 2, Section 570.5, Requirement for a Publicly Available Pay Schedule.

STAFF ANALYSIS

The CalPERS Board of Administration adopted an amendment to California Code of Regulations Section 570.5 (effective August 10, 2011) to require that a pay schedule is available publicly. The regulation specifies that compensation earnable is defined in statute and further clarified by California Code of Regulations (CCR) Section 570.5, and that salaries shall be “duly approved and adopted by the employer’s governing body in accordance with requirements of applicable public meetings laws.” Therefore, only those pay amounts that meet the definition of compensation earnable can be used when calculating retirement benefits. This regulation applies to all employers reporting compensation to CalPERS.

The pay schedule “Attachment A” to Resolution 2022-03 reflects all salaries currently in place and previously agreed to by the District Board of Directors or Fire Chief.

RESOLUTION No. 2023-01

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE RANCHO SANTA FE FIRE PROTECTION DISTRICT ADOPTING A PAY SCHEDULE IN ACCORDANCE WITH CALIFORNIA CODE OF REGULATIONS, TITLE 2, SECTION 570.5

WHEREAS, the California Public Employees Retirement System (“PERS”) adopted the California Code of Regulations, Title 2, Section 570.5 on August 10, 2011; and

WHEREAS, the California Code of Regulations, Title 2, Section 570.5 requires the District’s Board of Directors approve and adopt all pay schedules; and

WHEREAS, the Regulations require that the pay schedule be made public without reference to another document in disclosure of the pay rate.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of Rancho Santa Fe Fire Protection District, a public agency in the County of San Diego, California, as follows:

- 1) That the attached pay schedule titled Rancho Santa Fe Fire Protection District Pay Schedule, set forth in Exhibit “A” attached hereto and incorporated herein by reference is approved effective January 1, 2023, and adopted.
- 2) That the pay schedules approved and adopted by this resolution shall be periodically updated by the Board of Directors, in accordance with the California Code of Regulations requirements.

PASSED AND ADOPTED at a regular meeting of the Board of Directors of the Rancho Santa Fe Fire Protection District on January 18, 2023, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

JAMES H ASHCRAFT
President

ATTEST:





Alicea Caccavo
Board Clerk

Rancho Santa Fe Fire Protection District Salary Schedule

Effective Date - January 1, 2023

		Steps or Range				
Position		Step A	Step B	Step C	Step D	Step E
Fire Prevention Specialist	Hourly	37.252	39.114	41.070	43.124	45.280
	Monthly	6,457	6,780	7,119	7,475	7,849
	Annual	77,484	81,358	85,426	89,697	94,182
Fire Prevention Specialist II/Forester	Hourly	41.607	43.688	45.872	48.166	50.574
	Monthly	7,212	7,573	7,951	8,349	8,766
	Annual	86,543	90,871	95,414	100,185	105,194
Community Risk Reduction Specialist	Hourly	31.938	33.535	35.212	36.972	38.821
	Monthly	5,536	5,813	6,103	6,409	6,729
	Annual	66,431	69,753	73,241	76,903	80,748
Deputy Fire Marshal	Hourly	49.062	51.515	54.091	56.795	59.635
	Monthly	8,504	8,929	9,376	9,844	10,337
	Annual	102,049	107,151	112,509	118,134	124,041
Office Support Coordinator	Hourly	26.922	28.268	29.682	31.166	32.724
	Monthly	4,667	4,900	5,145	5,402	5,672
	Annual	55,998	58,798	61,738	64,825	68,066
Human Resource Analyst	Hourly	35.025	36.776	38.615	40.546	42.573
	Monthly	6,071	6,375	6,693	7,028	7,379
	Annual	72,852	76,494	80,319	84,335	88,552
Accounting Specialist	Hourly	32.883	34.527	36.253	38.066	39.969
	Monthly	5,700	5,985	6,284	6,598	6,928
	Annual	68,396	71,816	75,407	79,177	83,136
Accounting Technician	Hourly	29.019	30.470	31.994	33.594	35.273
	Monthly	5,030	5,282	5,546	5,823	6,114
	Annual	60,361	63,379	66,548	69,875	73,369

Position		Step A	Step B	Step C	Step D	Step E
Firefighter/Paramedic	Hourly	28.583	30.012	31.513	33.088	34.743
	Monthly (Includes FLSA)	7,122	7,478	7,852	8,244	8,657
	Annual (Includes FLSA)	85,463	89,736	94,223	98,934	103,881
Engineer/Paramedic	Hourly	30.806	32.346	33.963	35.661	37.445
	Monthly (Includes FLSA)	7,676	8,060	8,463	8,886	9,330
	Annual (Includes FLSA)	92,109	96,715	101,550	106,628	111,959
Captain	Hourly	34.503	36.228	38.040	39.942	43.197
	Monthly (Includes FLSA)	8,597	9,027	9,478	9,952	10,763
	Annual (Includes FLSA)	106,259	111,572	117,151	123,008	129,159

Position		Step A	Step B	Step C	Step D
Battalion Chief	Hourly	45.323	48.496	51.891	55.523
	Monthly <i>(Includes FLSA)</i>	11,293	12,084	12,929	13,834
	Annual <i>(Includes FLSA)</i>	135,517	145,003	155,153	166,014
Fire Chief		Range			
	Annual	178,056			223,197
Deputy Chief					
	Annual	175,876			201,360
Fire Marshal					
	Annual	117,099			153,780
Manager of Finance & Administration					
	Annual	131,000			160,480

Positions - Temporary (as needed and determined by the Fire Chief)					
Temporary - Non-exempt		Range			
	Hourly	California Minimum Wage			
		Examples of a temporary employee's position includes but is not limited to:			
		Fire Services Assistant; Interns (Administration, Fire Prevention, Training); Fire Prevention (Weed Abatement; Plan Review);			
					78.78

STAFF REPORT

NO. 23-02

TO: BOARD OF DIRECTORS
DAVE MCQUEAD, FIRE CHIEF

FROM: ALICEA CACCAVO, MANAGER OF FINANCE & ADMINISTRATION

SUBJECT: PENSION - ADDITIONAL DISCRETIONARY PAYMENT

DATE: JANUARY 12, 2023



RECOMMENDATION

Staff recommends an “Additional Discretionary Payment” (ADP) of \$1,000,000 to assist in paying down the District’s CalPERS Unfunded Accrued liability (UAL). Paying down the UAL will provide for long-term savings, in addition to increasing the funding ratio for the identified plans for the June 30, 2022 valuations in accordance with the Board approved targeted funding status of 93%.

BACKGROUND

For the past several years, the District’s Board of Directors has been actively managing its future pension obligations. These actions have resulted in millions of dollars in savings and have greatly reduced the District’s debt obligation. A strategic priority of the Board has been managing this obligation, and it should continue to ensure stability of the fund. The additional amount that is a part of the operating budget is determined from the CalPERS Actuarial reports issued each year. The following chart shows the planned ADP and the plan funding status from the three previous valuation reports as well as FY21/22 investment return:

CalPERS Plan	Current Budgeted FY22/23	Payment Determination	Funding Status 06/30/2019	Funding Status 06/30/2020	Funding Status 06/30/2021	Funding Status 06/30/2022
<i>CalPERS Investment Return</i>			6.70%	4.70%	21.30%	-6.80%
Safety Tier 1 (3% @ 50)	400,752	15-year Amortization	82.20%	80.90%	92.20%	
Safety Tier 2 (3% @ 55)	14,505	10-year Amortization	92.80%	91.00%	103.80%	
Safety Tier 3 (2.7% @ 57)	11,818	10-year Amortization	92.20%	91.00%	104.10%	
Non-safety Tier 1 (2.7% @ 55)	31,055	15-year Amortization	81.10%	79.20%	92.50%	
Non-safety Tier 2 (2.5% @ 55)	2,002	10-year Amortization	97.70%	95.10%	108.70%	
Non-safety Tier 3 (2% @ 62)	2,305	10-year Amortization	92.70%	91.40%	103.90%	
	\$462,437	(Rounded to 465,000)				

STAFF ANALYSIS

To increase the current plans towards the Board approved targeted funding status of 93%, staff utilized the CalPERS Actuarial tool, based on the FY21/22 retirement plan valuations, to arrive at the following scenario which garners the most overall savings, in addition to bringing the funding status up 3.4 combined percentage points.

Plan	ADP Amount	Base Line	Savings	Funded Status (06/30/21)	Do Nothing Funded Status	Future Funded Status
Misc. Emp - Tier 1	\$100,000	Fresh Start	\$16,317	92.5%	82.5%	84.2%
Safety Emp - Tier 1	\$733,057	Investment (Gain)/Loss 2016 Full	\$797,479	92.2%	81.5%	83.2%
Safety Emp - Tier 1	\$166,943	Investment (Gain)/Loss 2015 Partial	\$182,794			
Total Payment	\$1,000,000		\$996,590			

STAFF REPORT

NO. 23-03

TO: BOARD OF DIRECTORS
FROM: DAVE MCQUEAD, FIRE CHIEF
SUBJECT: SALE OF SURPLUS PROPERTY
DATE: JANUARY 12, 2023



RECOMMENDATION

Staff recommends vehicle (No. 0891) which is a 2008 Ford E-450 Ambulance be deemed surplus property and be sold on Public Surplus Auction in its “AS IS” condition. The use of the Public Surplus Auction site has been approved by legal counsel and is widely used by government agencies.

BACKGROUND

In June of 2016, the fire district accepted ownership of all Elfin Forest/Harmony Grove Volunteer Fire Department apparatus and vehicles following the fire district’s reorganization. This transfer-of-ownership included the 2008 Ford E-450 Ambulance. The 2008 ambulance was retained to date for a potential plan to staff and operate a Basic Life Support (BLS) ambulance from the Rancho Santa Fe Fire Station 5 and serve the community of Harmony Grove Village and Harmony Grove South if developed. The plan to staff and operate the ambulance has been recently evaluated and cannot be financially supported by the fire district.

CURRENT SITUATION

This emergency vehicle (No.0891) is now 15 years old with 20,000 miles and is no longer viable as a fleet vehicle for the district due to age and several mechanical issues.



STAFF REPORT

NO. 23-04

TO: BOARD OF DIRECTORS
FROM: DAVE MCQUEAD, FIRE CHIEF
SUBJECT: SALE OF SURPLUS PROPERTY
DATE: JANUARY 12, 2023



RECOMMENDATION

Staff recommends the surplus vehicle (No. 1381) Ford Escape to be sold using Public Surplus Auction in its “AS IS” condition. The use of the Public Surplus Auction site has been approved by legal counsel and is widely used by government agencies.

BACKGROUND

This vehicle was purchased in 2013 and was assigned to the Fire Marshal and later assigned to the Defensible Space Inspector.

CURRENT SITUATION

This staff vehicle is now 10 years old with 64,540 miles and is no longer viable as a fleet vehicle due to age and mechanical problems and no longer needed by the district.



San Diego County Local Agency Formation Commission

Regional Service Planning | Subdivision of the State of California

CALL FOR NOMINATIONS

December 19, 2022

TO: Independent Special Districts in San Diego County

FROM: Tamaron Luckett, Commission Clerk

SUBJECT: Call for Nominations |
Regular and Alternate Special District Member Election on LAFCO

This notice serves as a call to nominations pursuant to Government Code Section 56332(1) to solicit (a) one regular and (b) one alternate special district member to serve on the San Diego Local Agency Formation Commission (LAFCO). The term is four years and commences on May 1, 2023. The incumbent holders – Barry Willis, regular with Alpine Fire Protection District and David Drake, alternate with Rincon del Diablo Municipal Water District are expected to seek nomination and run for a new term. Additional details follow.

- **Eligibility**

Candidates eligible for election must be members of the legislative body of an independent special district who reside within San Diego County but may not be members of the legislative body of a city or county.

- **Authorized Nominations**

State Law specifies only the presiding officer or their alternate as designated by the governing board must sign the nomination form. Attached are nomination forms for the LAFCO regular special district member (**Attachment A**) and LAFCO alternate special district member (**Attachment B**).

- **Submittal Process and Deadline**

Signed nominations and a limited **two-page** resume indicating the candidate's District and LAFCO experience must be returned to San Diego LAFCO **no later than Tuesday, February 21, 2023**. Nominations received after this date will be invalid. Nominations

Administration
Keene Simonds, Executive Officer
2550 Fifth Avenue, Suite 725
San Diego, California 92103-6624
T 619.321.3380 F 619.404.6508
www.sdlafco.org

Chair Jim Desmond
County of San Diego
Joel Anderson
County of San Diego
Nora Vargas, Alt.
County of San Diego

Vacant
City Representative
Vacant
City Representative
Kristi Becker, Alt.
City of Solana Beach

Vacant
City representative
Marni von Wilpert, Alt.
City of San Diego

Jo MacKenzie
Vista Irrigation
Barry Willis
Alpine Fire Protection
David A. Drake, Alt.
Rincon del Diablo
Andy Vanderlaan
General Public
Harry Mathis, Alt.
General Public

and resumes may be mailed to San Diego LAFCO Office at 2550 Fifth Avenue, Suite 725, San Diego, CA 92103-6624 or email to tamaron.luckett@sdcounty.ca.gov, include **“Special District Call for Nominations 2023”** and your **“District Name”** in the subject title, if necessary to meet the submission deadline, but the original form must be submitted.

After nominations and resumes are received it is anticipated a candidate’s forum will be held in conjunction with the California Special Districts Association Quarterly Dinner with confirmation being provided under separate/future cover. Election materials will be mailed out **no later than Friday, February 24, 2023** unless otherwise communicated by the LAFCO Executive Officer. Should you have any questions, please contact me at 619-321-3380.

Attachments:

- 1) Nomination form – LAFCO regular and alternate special district member

ATTACHMENT A

NOMINATION OF THE SPECIAL DISTRICT REPRESENTATIVE FOR THE SAN DIEGO LOCAL AGENCY FORMATION COMMISSION REGULAR MEMBER

The _____ is pleased to nominate _____ as a
(Name of Independent Special District) (Name of Candidate)

Candidate for the San Diego Local Agency Formation Commission as a regular special district member with a term expiring 2027.

As presiding officer or his/her delegated alternate as provided by the governing board, I hereby certify that:

- The nominee is a member of a legislative body of an independent special district whom resides in San Diego County.

(Presiding Officer Signature)

(Print name)

(Print Title)

(Date)

PLEASE ATTACH RESUME FOR NOMINEE

- Limit two-pages
- Must be submitted with Nomination Form

ATTACHMENT B

NOMINATION OF THE SPECIAL DISTRICT REPRESENTATIVE FOR THE SAN DIEGO LOCAL AGENCY FORMATION COMMISSION ALTERNATE MEMBER

The _____ is pleased to nominate _____ as a
(Name of Independent Special District) (Name of Candidate)

Candidate for the San Diego Local Agency Formation Commission as an alternate special district member with a term expiring 2027.

As presiding officer or his/her delegated alternate as provided by the governing board, I hereby certify that:

- The nominee is a member of a legislative body of an independent special district whom resides in San Diego County.

(Presiding Officer Signature)

(Print name)

(Print Title)

(Date)

PLEASE ATTACH RESUME FOR NOMINEE

- Limit two-pages
- Must be submitted with Nomination Form