NATOMAS BASIN CONSERVANCY

HEALTH PREMIUM REIMBURSEMENT PLAN

THE NATOMAS BASIN CONSERVANCY hereby establishes the NATOMAS BASIN CONSERVANCY HEALTH PREMIUM REIMBURSEMENT PLAN for the benefit of certain employees described herein effective October 1, 2017 ("Effective Date").

ARTICLE I
PURPOSE

This Plan shall be known as the NATOMAS BASIN CONSERVANCY HEALTH PREMIUM REIMBURSEMENT PLAN. This Plan is a welfare benefit plan established to provide health and welfare benefits for the exclusive benefit of certain employees of the Employer. These benefits are to be provided through group contracts with third party insurers or an arrangement in the nature of a prepaid health care plan that is regulated under federal or state law in a manner similar to the regulation of insurance companies. The Plan is intended as a self-insured health reimbursement arrangement to provide reimbursement of health insurance premiums. The Plan is intended to qualify as an accident and health plan and a group health plan under applicable provisions of the Code, and as a health reimbursement arrangement. It is further intended that the benefits paid to eligible employees be excluded from their gross income pursuant to Section 105(b) of the Code.

ARTICLE II
DEFINITIONS

The following words and phrases as used in this Plan shall have the following meanings, unless a different meaning is plainly required by the context:

2.1 Benefits. "Benefits" shall refer to benefits available to Participants in accordance with Section 4.1 of this Plan.

2.2 Board of Directors. "Board of Directors" shall refer collectively to the members of the Board of Directors of the Employer.

2.3 Code. "Code" shall mean the Internal Revenue Code of 1986, as may be amended from time to time.

2.4 Employee. "Employee" shall refer to an individual whom the Employer classifies as a common-law employee and who is on the Employer's W-2 payroll, but does not include the following: (a) any leased employee (including but not limited to those individuals defined as leased employees in Code §414(n)) or an individual classified by the Employer as a contract worker, independent contractor, temporary employee, or casual employee for the period during which such individual is so classified, whether or not any such individual is on the Employer's W-2 payroll or is determined by the IRS or others to be a common-law employee of the Employer; (b) any individual who performs services for the Employer but who is paid by a temporary or other employment or staffing agency for the period during which such individual is paid by such agency, whether or not such individual is determined by the IRS or others to be a common-law employee of the Employer; (c) any employee covered under a collective bargaining agreement; or (d) any self-employed individual. "Employee" shall also refer to any individual

who is treated as an employee by a single employer under Sections 414(b), (c), and (m) of the Code. "Employee" shall not include any self-employed individual described in Section 401(c) of the Code.

2.5 Employer. "Employer" shall refer to the NATOMAS BASIN CONSERVANCY and any successor of such Employer.

2.6 ERISA. "ERISA" means the Employee Retirement Income Security Act of 1974.

2.7 FMLA. "FMLA" shall refer to the Family and Medical Leave Act of 1993, as amended.

2.8 Health Benefit Plan. "Health Benefit Plan" shall refer to any Medicare plan under title XVIII of the Social Security Act and any Medicare Supplement Insurance policy.

2.9 Participant. "Participant" shall refer to an Employee that has satisfied the eligibility requirements of Section 3.1, is eligible to receive Benefits under this Plan and has submitted an election form to the Plan Administrator in accordance with Section 3.2.

2.10 Plan. "Plan" shall mean the NATOMAS BASIN CONSERVANCY HEALTH PREMIUM REIMBURSEMENT PLAN, as may be amended from time to time.

2.11 Plan Administrator. "Plan Administrator" means the Employer or any person or entity appointed by the Employer to administer this Plan on its behalf.

2.12 Plan Year. "Plan Year" shall mean the twelve (12) month period beginning on January 1 and ending on December 31, except in the case of a short plan year representing the initial Plan Year or where the Plan Year is being changed, in which case the Plan Year shall be the entire short plan year.

2.13 Reimbursement Amount. "Reimbursement Amount" shall refer to the reimbursement by the Employer to a Participant for Health Benefit Plan premiums actually paid by the Participant. Such Reimbursement Amount shall only be paid upon the Employer receiving satisfactory substantiation of the Participant's payment of such premiums.

2.14 Spouse. "Spouse" means a spouse by legal marriage of the Participant.

2.15 USERRA. "USERRA" shall refer to the Uniformed Services Employment and Reemployment Rights Act of 1994, as amended.

ARTICLE III
ELIGIBILITY AND ENROLLMENT

3.1 Eligibility and Participation. This Plan shall cover all Employees enrolled in Medicare subject to the provisions of Section 3.5. An Employee who is eligible to participate in this Plan pursuant to this Section 3.1 shall be eligible to receive Benefits as of the later of the Effective Date or the date he or she completes an election form pursuant to Section 3.2, and shall be referred to as a Participant.

3.2 Participation. All eligible Participants shall submit a duly completed election form to the Plan Administrator, in the form provided by the Plan Administrator, to commence

participation in the Plan. Participants shall not be required to submit a subsequent election form prior to each Plan Year.

3.3 Termination of Participation. An Employee will cease to be a Participant when the first of the following occurs:

(a) this Plan terminates; or

(b) the Employee fails to satisfy any requirement necessary to be an eligible Employee, provided that an Employee's participation may continue for purposes of Cal-COBRA coverage, as may be permitted by the Plan Administrator on a uniform and consistent basis under Article VI.

If the Plan terminates, the Employee's loss of Participant status shall occur immediately upon occurrence of the applicable event. If an Employee ceases to be a Participant for any other reason, the Employee's loss of Participant status shall occur at the end of the month in which the applicable event occurs. Any reimbursements from the Plan after termination of participation will be made pursuant to Section 5.5(c).

3.4 FMLA and USERRA Leaves of Absence. Notwithstanding any provision to the contrary in this Plan, if a Participant goes on a qualifying leave under the FMLA or USERRA, then to the extent required by the FMLA or USERRA, as applicable, the Employer will continue to maintain the Participant's Benefits on the same terms and conditions as if the Participant were still an active eligible Employee

3.5 Integration with Group Health Plan. In the event this Plan covers two or more active Employees of the Employer, such that it is considered a group health plan within the meaning of Section 733(a) of ERISA, the Plan will satisfy following provisions for purposes of integrating this Plan with other group health coverage as required by the regulations at 29 C.F.R. 2590.715-2711(d)(5)(iv):

(a) the Employer shall offer a group health plan (other than this Plan or other account-based plan, and other than one that does not consist solely of excepted benefits) to employees who are not eligible for Medicare;

(b) Participants in the Plan shall actually be enrolled Medicare Part B or D;

(c) the Plan shall be available only to employees who are enrolled in Medicare Part B or D; and

(d) the Plan shall comply with the forfeiture and waiver provisions of the integration rules set out at Treas. Reg. § 54.9815-2711(d)(2)(i)(E) and Treas. Reg. § 54.9815-2711(d)(2)(ii)(D).

ARTICLE IV
BENEFITS AND CONTRIBUTIONS

4.1 Benefits. Each Participant shall be entitled to a Reimbursement Amount from the Employer to reimburse the Participant for the premium(s) for the Health Benefit Plan in which the Participant enrolls in for the Plan Year.

(a) Substantiation. The Reimbursement Amount is intended for the purpose of reimbursing a Participant for Health Benefit Plan premiums actually paid by the Participant and shall only be paid upon the Employer receiving satisfactory substantiation, determined in the discretion of the Employer, of the Participant's payment of the premiums.

4.2 Establishment of Account. The Plan Administrator will establish and maintain an account with respect to each Participant but will not create a separate fund or otherwise segregate assets for this purpose. The HRA account so established will merely be a recordkeeping account with the purpose of keeping track of contributions and available reimbursement amounts.

(a) Crediting of Accounts. A Participant's account will be credited each calendar month during a Plan Year with an amount equal to the monthly premium cost for the Health Benefit Plan in which the Participant is enrolled. No amount shall be credited for a calendar month, however, if the Participant is not still an eligible Employee on the first day of that calendar month.

(b) Debiting of Accounts. A Participant's account will be debited during each Plan Year for any reimbursement of Health Benefit Plan premiums incurred during the Plan Year.

4.3 Employer and Participant Contributions

(a) Employer Contributions. The Employer shall bear the entire cost of providing the Benefits available under this Plan.

(b) Participant Contributions. There are no Participant contributions permitted to the Plan for Benefits provided under the Plan.

(c) No Funding Under Cafeteria Plan. Under no circumstances will the Benefits be funded with salary reduction contributions, employer contributions (e.g., flex credits) or otherwise under a cafeteria plan, nor will salary reduction contributions or employer contributions under a cafeteria plan be treated as Employer contributions to the Plan.

4.4 Funding. All of the amounts payable under this Plan shall be paid from the general assets of the Employer. Nothing herein will be construed to require the Employer or the Administrator to maintain any fund or to 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 this Plan may be made. There is no trust or other fund from which Benefits are paid.

4.5 Nondiscrimination. Reimbursements to Highly Compensated Individuals, as defined under Code §105(h), may be limited or treated as taxable compensation to comply with Code §105(h), as may be determined by the Plan Administrator in its sole discretion.

ARTICLE V
ADMINISTRATION

5.1 Allocation of Responsibility for Administration.

(a) Plan Administrator. The Plan Administrator shall have only those powers, duties, responsibilities and obligations as are specifically given to the Plan Administrator under

the Plan or under any administration agreement between the Plan Administrator and the Employer.

(b) Employer Responsibilities. The Employer shall have the sole responsibility for making the contributions provided for under Article IV and shall have the sole authority to amend or terminate, in whole or in part, the Plan at any time. The Employer shall be the named fiduciary for the Plan for purposes of ERISA Section 402(a).

(c) Administrator's Responsibilities. The Plan Administrator shall have the sole responsibility for the administration of the Plan, as set forth herein. The Plan Administrator warrants that any directions given, information furnished, or action taken by him or her shall be in accordance with the provisions of the Plan authorizing or providing for such direction, information or action. The Plan Administrator shall be responsible for the proper exercise of his, her or its own powers, duties, responsibilities and obligations under this Plan and shall not be responsible for any act or failure to act of another employee. Neither the Plan Administrator nor the Employer makes any guarantee to any Participant for any loss or other event because of Participant's participation in the Plan.

(d) Transfer of Duties. The Employer may, at any time, assign all or any portion of the Plan Administrator's duties to a third party.

5.2 Powers and Duties of Plan Administrator.

(a) Powers and Duties Delegated to Plan Administrator. The Plan Administrator shall supervise the administration of the Plan. The Plan Administrator shall be responsible for ensuring that the terms and conditions of the Plan are carried out for the exclusive benefit of persons entitled to participate in the Plan without discrimination. The Plan Administrator shall have full power to administer the Plan, subject to the applicable requirements of the law and any administration agreement executed by and between the Employer and Plan Administrator. For this purpose, the Plan Administrator's powers shall include the following:

(1) to construe and interpret the Plan, decide all questions of eligibility and determine the amount, manner and time of payment of any Benefits hereunder;

(2) to prescribe the procedures for Participants to follow in filing applications for Benefits and to prepare forms to be used by Participants;

(3) to prepare and distribute, in such manner as the Plan Administrator determines appropriate, information explaining the Plan;

(4) to receive from the Employer, Participants and other persons, such information as shall be necessary for the proper administration of the Plan;

(5) to furnish to the Employer and Participants, upon request, annual reports detailing the administration of the Plan;

(6) to receive, review and keep on file such records pertaining to the Plan as the Plan Administrator deems convenient and proper;

(7) to allocate his, her or its administrative responsibilities;

(8) to appoint or employ individuals and any other agents the Plan Administrator deems advisable, including legal and actuarial counsel, to assist in the administration of the Plan;

(9) to adopt such rules as the Plan Administrator deems necessary, desirable or appropriate, subject to applicable laws. All rules and decisions of the Plan Administrator shall be uniformly and consistently applied to all Participants in similar circumstances; and

(10) to take all other steps necessary to properly administer the Plan in accordance with its terms and conditions and the requirements of applicable laws.

(b) Powers and Duties Not Delegated to Plan Administrator. The Plan Administrator shall have no power to add to, subtract from or modify any of the terms of the Plan, or to change or add to any Benefits provided by the Plan, or to waive or fail to apply any requirements of eligibility for Benefits under the Plan, except as may be expressly provided herein. Interpretations of the provisions of the Plan shall not be deemed to be additions, subtractions or modifications of the Plan.

5.3 Indemnification of Employee Administrator. The Employer agrees to indemnify any Employee serving as Plan Administrator (including any Employee or former Employee who formerly served as Plan Administrator), against any and all liabilities, damages, costs and expenses (including attorneys' fees and amounts paid in settlement of any claims approved by Board of Directors) occasioned by any act or omission to act in connection with the Plan, if such act or omission is made in good faith pursuant to the provisions of the Plan and not as a result of the Plan Administrator's gross negligence or willful misconduct.

5.4 Claims Procedure for Insured Benefits. All claims for benefits that are provided through insurance contracts, whether such contracts are between an insurer and the Employer or an insurer and Participant, shall be made by filing a claim for benefits in accordance with the claims procedure set forth under the insurance contract. The Employer does not have the authority or responsibility for processing, reviewing or paying such claims. All disputes regarding those claims shall be resolved in accordance with the procedures set forth in the separate contract concerning those benefits

5.5 Reimbursement Procedure.

(a) Timing. Within 30 days after receipt by the Plan Administrator of a reimbursement claim from a Participant, the Employer will reimburse the Participant for the Participant's Health Benefit Plan premiums (if the Plan Administrator approves the claim), or the Plan Administrator will notify the Participant that his or her claim has been denied. The 30-day time period may be extended for an additional 15 days for matters beyond the control of the Plan Administrator, including in cases where a reimbursement claim is incomplete. The Plan Administrator will provide written notice of any extension, including the reasons for the extension, and will allow the Participant 45 days in which to complete an incomplete reimbursement claim.

(b) Claims Substantiation. A Participant who seeks Benefits may apply for reimbursement by submitting an application in writing to the Plan Administrator in such form as the Plan Administrator may prescribe, by no later than 60 days following the date the Health

Benefit Plan premium expense was incurred, setting forth (i) the nature and date of the expense so incurred; (ii) the amount of the requested reimbursement; and (iii) a statement that such expense has not otherwise been reimbursed and are not reimbursable through any other source. The application shall be accompanied by bills, invoices, or other statements from an independent third party showing that the expenses have been incurred and the amounts of such expenses, together with any additional documentation that the Plan Administrator may request.

(c) Reimbursements After Termination; Cal-COBRA. When a Participant ceases to be a Participant under Section 3.3, the Participant will not be able to receive reimbursements for Health Benefit Plan premium expenses incurred after his or her participation terminates. However, such Participant (or the Participant's estate) may claim reimbursement for any Health Benefit Plan premiums incurred during the Plan Year prior to termination of participation, provided that the Participant (or the Participant's estate) files a claim within 90 days following the date on which the expense arose. Notwithstanding any provision to the contrary in this Plan, to the extent required by Section 1366.20 et. seq. of the California Health and Safety Code (the "California Continuation Benefits Replacement Act" or "Cal-COBRA"), the Participant whose coverage terminates under the Plan because of a Cal-COBRA qualifying event, shall be given the opportunity to continue (on a self-pay basis) the same coverage that he or she had under the Plan on the day before the qualifying event for the periods prescribed by Cal-COBRA (subject to all conditions and limitations under Cal-COBRA).

(d) Claims Denied. If a claim for reimbursement under this Plan is wholly or partially denied, a Participant may appeal such decision to the Board of Directors in accordance with the claims procedure set forth in the summary plan description. An external review process shall be provided as legally required and as further set forth in the summary plan description.

ARTICLE VI
AMENDMENT; TERMINATION

6.1 Amendment. The Plan may be amended by the Board of Directors at any time and from time to time by a written resolution adopted by a majority of the Board of Directors.

6.2 Termination. The Plan may be terminated at any time by the Employer. Termination of the Plan shall be effected by a written resolution adopted by a majority of the Board of Directors.

ARTICLE VII
MISCELLANEOUS

7.1 Non-Assignability and Facility of Payment. Benefits payable under the Plan are not in any way subject to the debts or other obligations of the persons entitled thereto and may not be voluntarily or involuntarily sold, transferred or assigned to any person or persons other than the provider or providers of such Benefits. When any person entitled to Benefits under the Plan is under a legal disability or, in the Plan Administrator's opinion, is unable to manage his or her affairs, then, to the extent permitted under the applicable group contract, the Plan Administrator may cause his or her Benefit to be paid to his or her legal representative for his or her benefit, or to be applied for his or her benefit in any other manner that the Plan Administrator may determine.

7.2 Mistake of Fact. Any misstatement or any other mistake of fact in any notice or other document filed with the Employer or Plan Administrator shall be corrected when it becomes known and proper adjustment made by reason thereof. Neither the Employer nor the Plan Administrator shall be liable in any manner for any determination of fact made in good faith.

7.3 Source of Payments. The Employer shall be the sole source of Benefits under the Plan. No Participant shall have any right to, or interest in, any assets of the Employer except as provided from time to time under the Plan, and then only to the extent of the Benefits which are payable under the Plan to such Participant.

7.4 Status of Benefits. The Employer believes that this Plan is written in accordance with Section 105 of the Code and that it provides certain benefits to Participants which are free from Federal income tax under the Code. This Plan has not been submitted to the Internal Revenue Service for approval and thus there can be and is no assurance that intended tax benefits will be available. Any Participant, by accepting a benefit under this Plan, agrees to be liable for any tax plus interest that may be imposed with respect to those Benefits.

7.5 Applicable Law. This Plan, as amended from time to time, shall be administered, construed and enforced according to the laws of the State of California, to the extent not superseded by the Code, ERISA, or any other federal law.

7.6 Employment Rights. Employment rights of an employee shall not be deemed to be enlarged or diminished by reason of the establishment of this Plan, nor shall any provisions of this Plan be deemed to confer any right upon any employee to be retained in the service of the Employer.

7.7 Construction. The masculine gender, where appearing in the Plan, shall be deemed to include the feminine or neuter gender, and the singular shall be deemed to include the plural, and vice-versa, unless the context clearly indicates to the contrary. The words “hereof,” “herein,” “hereunder’ and other similar compounds of the word “here” shall mean and refer to the entire Plan and not to any particular provision or Section.

[*Signatures to Follow on Next Page*]

IN WITNESS WHEREOF, the Employer has caused this Natomas Basin Conservancy Health Premium Reimbursement Plan to be executed on October 4, 2017.

NATOMAS BASIN CONSERVANCY:

By: _____

ATTEST:

By: _____

APPROVED AS TO FORM AND CONTENT:

BEST BEST & KRIEGER LLP

By: _____
Attorneys for Employer