

CASE NO. 2020-00160
WATER SERVICE CORPORATION OF KENTUCKY
RESPONSES TO ATTORNEY GENERAL'S SECOND REQUEST FOR INFORMATION

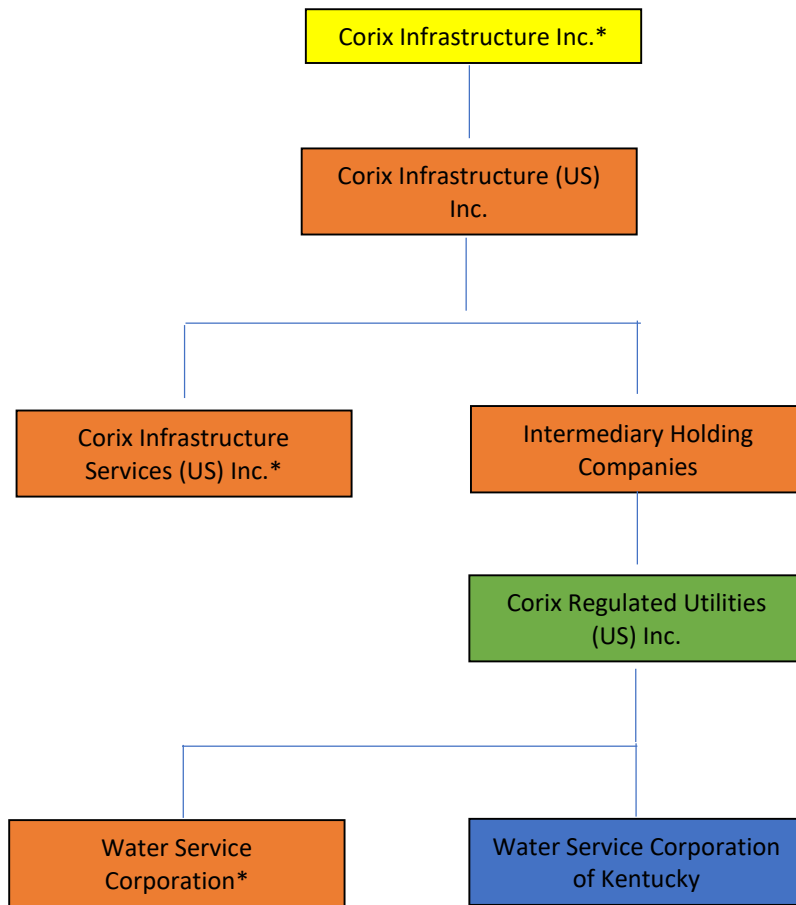
1. Refer to the Application generally. Provide a simplified chart identifying Water Service Kentucky's parent company or companies; all companies that allocate expenses to Water Service Kentucky either directly, or through a two-tiered allocation system; and the allocation percentage amount from each company to Water Service Kentucky.

RESPONSE:

Please see the attached file entitled "Response to AG DR 2.01 - Simplified Org Chart".

WITNESS:

Shawn Elicegui



Color Coding Legend (Jurisdiction of Organization)	
British Columbia	Delaware
Illinois	Kentucky

* Denotes entities that allocate costs directly or indirectly to Water Service Corporation of Kentucky

CASE NO. 2020-00160
WATER SERVICE CORPORATION OF KENTUCKY
RESPONSES TO ATTORNEY GENERAL'S SECOND REQUEST FOR INFORMATION

2. Refer to Water Service Kentucky's response to the Attorney General's First Request for Information (First Request), Item 1(a), wherein Water Service Kentucky provided an organizational chart of Water Service Kentucky.
 - a. Explain what the numbers "(12,12)" stand for under Stephen Vaughn's name.
 - b. Further explain what is meant by "USKY Middlesboro Water" that appears under Stephen Vaughn's name. Does this indicate that Mr. Vaughn is stationed at the Middlesboro water plant, but is still in charge of the Clinton water plant as well?
 - c. Explain why all 13 employees listed in the Water Service Kentucky organizational chart have a "Corix US" designation. Ensure to explain whether these 13 employees are directly employed for Water Service Kentucky or Corix.
 - d. Out of the 13 Water Service Kentucky employees listed in the organizational chart, there are no customer service representatives. Explain why there are no local customer service representatives to assist customers with their questions and issues.
 - e. Explain what the position of "utility operations intern" entails, and whether it is a full-time or part-time position.
 - f. Explain why there are only 2 employees that are designated as "USKY Clinton Water."
 - g. Provide the salary of each of the Water Service Kentucky employees, as well as the salary and wage increases provided for each employee from 2015 – present day.

CASE NO. 2020-00160
WATER SERVICE CORPORATION OF KENTUCKY
RESPONSES TO ATTORNEY GENERAL'S SECOND REQUEST FOR INFORMATION

- h. Provide a detailed explanation of the insurance benefits provided to Water Service Kentucky employees including but not limited to health, dental, vision, life insurance, etc. Ensure to include all premiums paid by the Water Service Kentucky employee, premiums paid by Water Service Kentucky on the employees' behalf, as well as all copays, deductibles, and maximum out of pocket amounts.

RESPONSE:

- a. 12 and 12 denote how many direct and skip level employees a manager supervises;
- b. Stephen Vaughn's primary office located at the Middlesboro Water Treatment Plant; however, he spends approximately one week at the office in Clinton Kentucky. Mr. Vaughn is in charge of the operations in Clinton as well;
- c. This designation simply refers to the legislative data set that this employee is in and has no bearing on allocation, legal employer or business unit designation. All employees within our Oracle HCM system are organized by legislative data groups. This data set identifies which legislative group (US or Canada) their payroll is processed, and which local and federal payroll laws are applied, which currency the wages are paid in, etc. Each legislative data group marks a legislation (US or Canada) in which payroll is processed, and is associated with a legislative code, currency, etc. It can span many jurisdictions as long as they are within one country and contain many legal entities that act as payroll statutory

CASE NO. 2020-00160
WATER SERVICE CORPORATION OF KENTUCKY
RESPONSES TO ATTORNEY GENERAL'S SECOND REQUEST FOR INFORMATION

units. Each payroll statutory unit can belong to only one legislative data group. It is what allows us to pay employees in Water Service Kentucky, with the same HR/Payroll system that all other employees are paid with, creating a great efficiency while ensuring the appropriate local, state and federal taxes and payroll rules are complied with.;

- d. The Customer Service organization is consolidated at the Shared Service level, not at the local level. Having a consolidated department allows the company to streamline and standardize business processes and recognize efficiencies within its call center locations. Water Service Corporation of Kentucky is assigned a dedicated toll-free phone number for inbound calls into the Call Centers. All Customer Service Representatives receive continual training for state specific, dedicated call handling. The training focuses on new policies and procedures, reinforcement of existing policies and procedures, review of tariff and state regulations as well as coaching on proper phone etiquette to meet the company expectations of providing excellent, quality service to all customers.
- e. The utility operations intern is a seasonal position during 3 months in the summer. Please refer to the attached overview of the internship program entitled "Response to AG DR 2 e. - Utility Operation Intern Overview".;
- f. The size and nature of operations in each system dictate what number of headcount is necessary to provide ongoing quality water service;
- g. Please see the attached CONFIDENTIAL file entitled "CONFIDENTIAL Response to AG DR 2.03 g. - WSCK Salary Increase 2015-2020".

CASE No. 2020-00160
WATER SERVICE CORPORATION OF KENTUCKY
RESPONSES TO ATTORNEY GENERAL'S SECOND REQUEST FOR INFORMATION

h. Please refer to the attached file entitled "Response to AG DR 2.03 h. - 2020
Employee Benefits Guide".

WITNESS:

Rob Guttormsen

POSITION OVERVIEW:



Utilities, Inc. is seeking candidates to participate in our Internship Program, which offers opportunities for career growth to individuals who are interested in learning more about an essential natural resource – water. This Program consists of talented college students who will begin employment over summer breaks. During the summer, Interns will focus on one department and learn about the awesomeness of the water and wastewater industry and the regulated utility culture through on the job experience. Through this Program, Interns will build a skill and competency set that is relevant and valuable to their career development in utility operations and management.

This position is targeted to begin in Summer 2018 and conclude at the end of the summer or when the Intern returns to college classes (approximately 12 weeks), with an opportunity to return during for subsequent winter and summer breaks depending upon need, availability, performance and eligibility.

Rotations are selected for participants based upon business need. A sample of departments that may have a rotation include, but are not limited to:

- Finance
- Operations
- Geographic Information Systems (GIS)
- Project Management

KEY PROGRAM ELEMENTS:

1. *Department Projects:* During each rotation or Summer, Interns will be assigned department specific projects over a 12 week period to ensure they gain a strong understanding and build skills aligned with that department's functions.
2. *Learning:* Interns will have the opportunity to engage in learning about the water and wastewater utility, via utility plant operations, including the water and wastewater treatment. Interns will also learn the financial aspect of a regulated utility.
3. *Mentorship:* Interns will be assigned to a mentor to help answer questions and offer insight into how to make the most of this Program experience. The mentorship may provide the intern with additional opportunities for shadowing.

QUALIFICATIONS:

- Bachelor's degree, in process, from an accredited college/university. Preferred degrees: Accounting, Biology, Chemistry, Engineering, Finance, and GIS.
- Excellent verbal and written skills.
- Demonstrated ability to work well within a team environment.
- Must be proficient in Microsoft Office Suite, including Word, Excel, PowerPoint, and Outlook.
- Some aspects of the rotational program may require moderate to heavy physical demands, including lifting (75 lbs.), walking (10+ miles daily), climbing and mechanical repair.

ADDITIONAL RESPONSIBILITIES:

- Assists with repairs of water/wastewater treatment plant equipment and perform minor maintenance.
- Assists in creating monthly and annual reports.
- Assists with project development and ensures the success of projects.
- Reviews and analyzes GIS data and maps for accuracy and completeness.
- Tracks budget related information, such as hours worked and expenses.
- Assists and supports the Financial Analyst II, Sr. Financial Analyst and Financial Planning & Analysis Manager.

CASE NO. 2020-00160
WATER SERVICE CORPORATION OF KENTUCKY
RESPONSES TO ATTORNEY GENERAL'S SECOND REQUEST FOR INFORMATION

3. Refer to Water Service Kentucky's response to the Attorney General's First Request, Item 1(b), wherein Water Service Kentucky provided an organization chart of WSC Shared Services (WSC).
 - a. As originally requested, designate the location of each position.
 - b. Explain what the numbers "(9,117)" indicate underneath James Devine's name and title.
 - c. Water Service Kentucky indicated in the above-referenced response that the allocation factor for the WSC employees is 2.33%. Explain in detail how the allocation factor of 2.33% is utilized, and provide an example of the same.
 - d. Provide a chart demonstrating all allocation percentages made by WSC, and to what entity, for a total of 100%.

RESPONSE:

- a. Please see the attached roster of employees entitled "Response to AG 2.03 a. - WSC Org Chart Corrected". The attached roster corrects the Company's response to Attorney General's First Request, Item 1(b) to include the positions that have been allocated out of the WSC cost center in this rate case. The employee's payroll tax location is included in excel column E.
- b. 9 and 117 denote how many direct and skip level employees a manager supervises;
- c. The 2.33% is utilized to allocate costs to operating companies, costs that are booked to the WSC cost center are allocated using ERCs. 2.33% represents

CASE NO. 2020-00160
WATER SERVICE CORPORATION OF KENTUCKY
RESPONSES TO ATTORNEY GENERAL'S SECOND REQUEST FOR INFORMATION

WSCK's ERC percentage divided by the total ERCs at WSC. For example, if a \$100 cost for telephone service provided to a department at WSC were booked, \$2.33 would be allocated to WSCK. Please see the attached file entitled "Response to AG DR 2.03 e. - ERC TYE 2020.03.31" which shows the calculation of allocation percentages for the WSC, President, Region, and State cost centers.

- d. Please refer to the attachment provided in response to part c. above, tab "ERC" excel columns D and J.

WITNESS:

Rob Guttormsen



2020 Employee Benefits Guide



CORIX[®]
Group of Companies



Table of Contents

Introduction.....	4
Eligibility.....	5
Enrollment.....	6
Medical Benefits.....	7
TelaDoc.....	9
Rx 'n Go.....	10
Health Advocate.....	10
Dental Benefits.....	11
Vision Benefits.....	12
Basic Life/AD&D.....	13
Voluntary Life/AD&D.....	14
Disability Insurance.....	15
Parental Leave and Adoption.....	16
Flexible Spending Accounts.....	17
Health Savings Account.....	18
Voluntary Benefits.....	19
Support and Guidance.....	22
Professional Certifications/Licenses.....	23
Education Assistance.....	24
Additional Benefits.....	25
Additional Resources.....	27
Employee Contributions.....	30
Important Notices.....	31
Contact Information.....	41
Glossary of Terms.....	42

This benefits guide summarizes the benefit plans offered to eligible employees. Every effort has been made to ensure that the information is presented clearly and accurately. However, this is only a partial list of benefit information. Refer to the provider contracts, policies, descriptions and other materials that constitute the plan's summary plan description (SPD) for more detailed information about the benefits.

In the event of any conflict between the information in this document and the provider contracts or SPDs, such other documents will govern. The Corix Group of Companies reserves the right to change or discontinue these benefits, in whole or in part, at any time. You will be notified if a program is changed or discontinued. This document does not constitute an employment agreement between you and the Company.

DID YOU KNOW?

You have the power to help control benefit costs and save money by:

- Using generic Rx instead of brand name
- Utilizing in-network providers
- Taking advantage of your preventive care benefits
- Knowing where your closest urgent care facility is and only utilizing the emergency room for true emergencies

The benefits program provided to you by the Corix Group of Companies, is designed to offer eligible employees the flexibility to select benefits that best suit their needs. Significant costs are assumed by the Corix Group of Companies as our continuing commitment to provide a comprehensive benefits program for you. This guide provides a broad and brief overview of the various programs being offered to you and your eligible dependents. Eligibility in any given benefit plan is subject to the terms and conditions of that benefit plan. For a complete description of each benefit plan, see the applicable summary plan description (SPD) or certificate of coverage (COC).

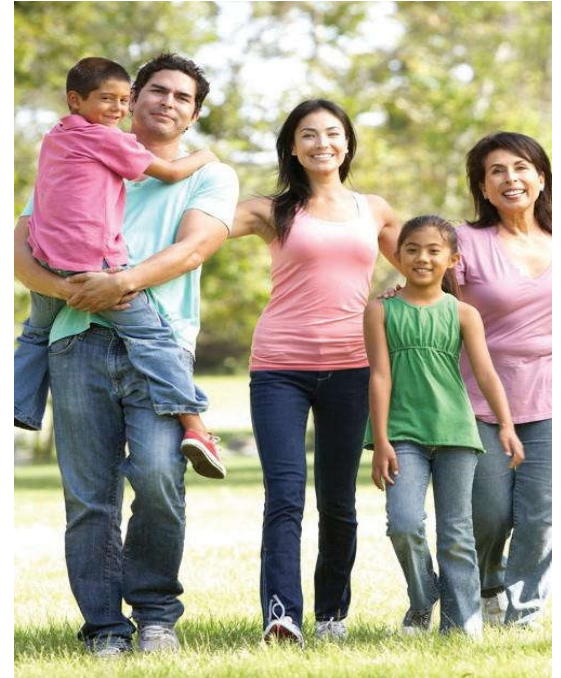
CORIX[®]
Group of Companies

ELIGIBILITY

You are eligible to participate in the Corix Group of Companies Benefit Programs if you are a full-time employee scheduled to work a minimum of 30 hours per week (with the exception of Limited Eligibility noted below). Temporary, seasonal and agency employees are *not* eligible to participate.

If you are eligible to participate in the Corix Group of Companies Benefit Programs, you may also enroll your legal spouse, domestic partner* (same and opposite sex) and dependent child(ren) for coverage. Please ensure you are making your elections carefully when enrolling dependents. A “dependent child” is the subscriber’s or spouse’s natural child, stepchild, foster child or legally adopted child. Children are generally considered dependents until:

- ❖ Age 26
- ❖ Any age, if they are mentally or physically disabled, chiefly dependent on the employee for support, and not capable of self-sustaining employment
- ❖ Age 30 if enlisted in the military



A summary of the benefits offered to you by the company are outlined in this guide. If you do not elect to enroll in coverage during the open enrollment period or when you are first eligible for benefits, you will not be allowed to enroll until the next open enrollment period unless you have a special enrollment event as defined by HIPPA (see “Qualifying Life Events” on the following page).

**If you are enrolling a domestic partner, please contact HR as there may be additional tax implications.*

Limited Eligibility:

An employee classified as part-time scheduled to work less than 30 hours per week and a minimum of 1,000 hours per calendar year, qualifies for participation in the 401(k) plan.

When Coverage Begins:

If you are a new hire, you must enroll in benefits within 31 days of your initial eligibility date. Health benefits begin on the 1st of the month following your hire date. If you fail to elect coverage under one or more of the optional plans within this time will be deemed to have voluntarily waived eligibility for coverage for the entire plan year. Once made, elections are irrevocable and remain in effect for the entire plan year unless a Qualifying Life Event (QLE) change occurs. Enrollment in the employer paid benefits is automatic.

The 401(k) Retirement Plan is effective the 1st of the month following one month of employment.

ENROLLMENT

Qualifying Life Events:

Your initial new hire eligibility period allows you 30 days from your date of hire to submit enrollment forms for the benefits you wish to enroll in. You can change your enrollment during the plan year only when you have a qualifying life event that significantly affects your benefit needs. Life events can include:

- ❖ Marriage or Divorce
- ❖ Birth or adoption of a child or placement of a child for adoption
- ❖ Death of a child or spouse
- ❖ Loss of or obtainment of other coverage
- ❖ Exhausting the maximum period of COBRA coverage

An employee wanting to change elections due to a qualifying life event should contact Human Resources as soon as possible following the event, but no later than 30 days following the event. Appropriate documentation will be required to substantiate a change and must be received within 30 days of the event. Effective date for changes will be the actual date of the event. Any change reported or supporting documentation received after 30 days of the qualifying life event will not be accepted. In such an instance, the next opportunity to make a change will be during the next open enrollment period.

Pre-Tax vs. Post-Tax Benefit Contributions:

Generally, the cost to participate in the Company's Health plans and/or reimbursement accounts is taken from your paycheck on a **pre-tax** basis. This means, you do not pay Federal Income Tax, Social Security Tax, and in most cases state/local taxes on those contributions.

Preventive Incentive:

To promote a health lifestyle, we encourage you to receive a routine annual physical with blood draw at initial eligibility and every 3 years. Having a routine preventive physical is a step toward taking control of your health. If you choose to enroll in our medical plan and complete a routine annual physical, you will be incentivized with lower premium rates. Both medical plans cover your physical and blood draw at 100% with no copay, if you receive this service through an in-network provider.

To qualify for this incentive, you and your spouse (if you choose to cover), must have a routine physical with a blood draw documented with a date of service within 60 days of your insurance becoming effective. A Routine Physical Verification Form must be completed for both you and your spouse by the physician and returned to HR within the given time frame. If the form is not returned, your premiums will increase to the non-preventive rates on the 61st day from the effective date.

MEDICAL BENEFIT SUMMARY

The Corix Group of Companies offers you the option to choose between two medical plans, administered by BlueCross BlueShield of Illinois. The PPO plan provides you the freedom to seek services from the provider of your choice. Certain services may require satisfying a deductible. Once the deductible is met, the plan will begin paying based on a co-share amount known as coinsurance. The out-of-pocket maximum is the most you will spend in a given plan year. Please refer to page 30 for employee contribution amounts.



PPO Plan Benefit Highlights:

BCBS PPO Plan	In-Network	Out-Of-Network
Deductible		
Individual	\$400	\$800
Family	\$1,200	\$2,400
Annual Out-of-Pocket Maximum (deductible embedded)		
Individual	\$5,000	\$10,000
Family	\$10,000	\$20,000
Covered Services		
Preventive Care	100%	60% after deductible
Primary Care Office Visit	\$20 copay	60% after deductible
Specialist Office Visit	\$20 copay	60% after deductible
Urgent Care	80% after deductible	60% after deductible
Diagnostic Tests	80% after deductible	60% after deductible
Emergency Room (copay waived if admitted)	80% after \$200 copay	
Inpatient Hospital Services	80% after deductible	60% after deductible
Outpatient Hospital Services	80% after \$20 copay/office visit	60% after deductible
Rehabilitation/Habilitation Services	80% after deductible	60% after deductible
Retail Prescription Drugs (34 days retail)		
Generic	\$10 copay	\$10 copay+25% coinsurance
Formulary brand name drugs	25% coinsurance Min: \$25 copay Max: \$75 copay	50% coinsurance Min: \$25 copay Max: \$75 copay
Non-formulary brand name drugs	50% coinsurance Min: \$25 copay Max: \$75 copay	75% coinsurance Min: \$25 copay Max: \$75 copay
Specialty	50% coinsurance Max: \$250 copay	Not Covered
Mail Order Prescription Drugs (90 days mail order)		
Generic	\$20 copay	\$20 copay+25% coinsurance
Formulary brand name drugs	25% coinsurance Min: \$50 copay Max: \$150 copay	50% coinsurance Min: \$50 copay Max: \$150 copay
Non-formulary brand name drugs	50% coinsurance Min: \$50 copay Max: \$150 copay	75% coinsurance Min: \$50 copay Max: \$150 copay
Specialty	50% coinsurance Max: \$500 copay	Not Covered

MEDICAL BENEFIT SUMMARY

The Corix Group of Companies offers you the option to elect the HDHP Plan. This plan is a qualified High Deductible Health Plan, meaning you are eligible to contribute to a Health Savings Account (HSA) account with pre-tax dollars if you choose to do so. Refer to page 18 for additional information on HSAs. Please refer to page 30 for employee contribution amounts.

HDHP Plan Benefit Highlights:



BCBS HDHP Plan	In-Network	Out-Of-Network
Deductible		
Individual	\$1,500	\$4,500
Family	\$3,000	\$13,500
Annual Out-of-Pocket Maximum (deductible embedded)		
Individual	\$6,000	\$12,000
Family	\$12,000	\$24,000
Covered Services		
Preventive Care	100%	70% after deductible
Primary Care Office Visit	90% after deductible	70% after deductible
Specialist Office Visit	90% after deductible	70% after deductible
Urgent Care	90% after deductible	70% after deductible
Diagnostic Tests	90% after deductible	70% after deductible
Emergency Room (copay waived if admitted)	90% after deductible	
Inpatient Hospital Services	90% after deductible	70% after deductible
Outpatient Hospital Services	90% after deductible	70% after deductible
Rehabilitation/Habilitation Services	90% after deductible	70% after deductible
Retail Prescription Drugs (34 days retail)		
Generic	90% after deductible	70% after deductible
Formulary brand name drugs	90% after deductible	70% after deductible
Non-formulary brand name drugs	90% after deductible	70% after deductible
Specialty	50% after deductible Max: \$250 copay	Not Covered
Mail Order Prescription Drugs (90 days mail order)		
Generic	90% after deductible	70% after deductible
Formulary brand name drugs	90% after deductible	70% after deductible
Non-formulary brand name drugs	90% after deductible	70% after deductible
Specialty	50% after deductible Max: \$500 copay	Not Covered

TelaDoc Benefit Highlight:

The Corix Group of Companies offers you and your eligible dependents enrolled in a medical plan access to TelaDoc. TelaDoc allows you to talk to a doctor anytime and anywhere by phone or video consult. TelaDoc is **free (no copay)** to you and offers a convenient service that you and eligible dependents can access for consultations and treatment (including prescriptions) for a wide variety of medical conditions without leaving your home. If necessary, doctors can prescribe medication over the phone for you to pick up at a pharmacy most convenient to you. Visit TelaDoc's website at www.TelaDoc.com or call 1-800-Teladoc to request a consultation.

Speak with a physician with no copay!

- ❖ **Feel better faster** - TelaDoc provides you access to U.S. board certified physicians who can resolve most non-urgent medical issues via phone or online video
- ❖ **Available when you need care** - convenient alternative to urgent care or ER visits; access a physician anywhere, anytime, 24 hours a day, 7 days a week, 365 days a year
- ❖ **An alternative you can trust** - pay less to feel better quicker with a \$0 copay and the convenience of not leaving your home

How to sign up?

- ❖ Visit the TelaDoc website at www.TelaDoc.com and click on "Set Up Account" to begin the registration process. Remember to register in order to use this service when you are sick.
- ❖ Enter your first name, last name, date of birth, zip code, email and gender and click "continue"
- ❖ Follow the directions online to complete the account setup phase and provide your medical history

Request a Visit

- ❖ Visit the TelaDoc website and click "Request a Visit"
- ❖ Select the type of consult you would like to have
- ❖ Talk to a doctor within one hour of setting up your consultation



RX 'N GO AND HEALTH ADVOCACY BENEFITS

Rx 'n Go



The Corix Group of Companies allows you and your enrolled dependents the opportunity to receive **free** generic maintenance medication by utilizing the Rx 'n Go mail order pharmacy service. Rx 'n Go offers a comprehensive listing of nearly 1,200 available generic maintenance medications. By filling your generic maintenance medication through Rx 'n Go, the Company will pay the entire cost of the medication. A ninety (90) day supply of medication will arrive directly at your home address or designated delivery location.

Please consult with your physician or health care provider if you are not currently taking a generic medication to determine if any of the prescriptions offered through the Rx 'n Go pharmacy may be an option.

Interested plan members are required to have their health care provider submit a complete Rx 'n Go prescription order form via email or fax (or the member may mail the original order form via regular mail). Please visit the Benefits folder on the WaterMain Intranet site to locate these forms.



DENTAL BENEFIT SUMMARY

The Corix Group of Companies offers you and your families a Dental PPO Plan administered by MetLife. You are eligible to participate in the dental plan within 31 days of eligibility. Benefits begin the 1st of the month following your hire date. The DPPO plan offers you the option to visit any licensed dentist or specialist without prior approval in or out-of-network for covered services. You do not have to designate a primary care dentist. You will generally save on the cost of covered dental care when you utilize an in-network dentist. Please refer to page 30 for employee contribution amounts. Below you will find a high level overview of the Dental Plan offered to you:



Dental PPO Benefit Highlights:

MetLife Dental PPO	In-Network	Out-Of-Network
Deductible (applies to Basic/Major)		
Individual		\$50
Family		\$100
Annual Benefit Maximum		
		\$1,750
Preventive Covered Services (Type A)		
Oral Examinations		100%
Cleanings		100%
Fluoride (children under 18)		100%
Bitewing and Full Mouth X-rays		100%
Sealants		100%
Basic Covered Services (Type B)		
Amalgam (silver) Fillings		80% after deductible
Composite Fillings		80% after deductible
Space Maintainers (1 per lifetime to age 16)		80% after deductible
Extractions (Non-surgical and Complex)		80% after deductible
Periodontics (scaling, root planning, surgery)		80% after deductible
Endodontics		80% after deductible
General Anesthesia		80% after deductible
Major Covered Services (Type C)		
Inlays/Onlays		50% after deductible
Crowns		50% after deductible
Full/Partial Dentures		50% after deductible
Prosthetic Maintenance/Repairs		50% after deductible
Bridges		50% after deductible
Implants		50% after deductible
Orthodontia Services (Type D) – Children 19 and Under		
Coinsurance		50%
Lifetime Benefit Maximum		\$1,500

VISION BENEFITS

The Corix Group of Companies offers you vision benefits administered by VSP at **no cost** to you. VSP offers you the option to see any licensed eye care professional. However, you will receive the highest level of benefits if you utilize an in-network provider. Vision coverage is effective on the 1st of the month following your date of hire. *Please note:* VSP does *not* provide ID cards.

Vision Benefit Highlights:



VSP Vision Plan	In-Network Copay	Out-Of-Network Reimbursement
Exams		
Optometrist	\$10	Up to \$25
Ophthalmologist	\$10	Up to \$25
Lenses		
Single Vision	\$25	Up to \$30
Bifocal	\$25	Up to \$35
Trifocal	\$25	Up to \$45
Frames		
Frames	\$130 allowance, 20% off remaining balance	Up to \$45
Contact Lenses		
Elective	\$130 retail allowance	Up to \$105
Medically Necessary	Covered	Up to \$210
Frequency		
Exams		Once every 12 months
Lenses		Once every 12 months
Frames		Once every 24 months
Frames (Children, excluding college students)		Once every 12 months
Contact Lenses		Once every 12 months



BASIC LIFE AND AD&D INSURANCE

The Corix Group of Companies provides all eligible employees Basic Life and Accidental Death and Dismemberment insurance effective the 1st of the month following your date of hire. While insured under this provision, your beneficiary will be paid a sum of two (2) times your base annual salary to a maximum of \$750,000. Evidence of insurability is required on amounts greater than \$650,000.

If, while covered under AD&D, you are accidentally injured and that injury is independent of illness and all other causes, then you will be paid a benefit based on the nature of the loss. The maximum benefit is an amount equal to two (2) times your base annual salary to a maximum of \$750,000.

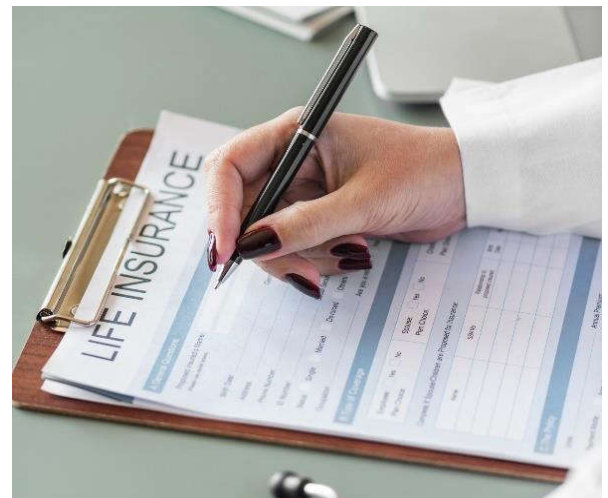


When Basic Life/AD&D Insurance Applies:

The Corix Group of Companies provides employees a valuable Basic Term Life/AD&D plan, through MetLife. You must be actively at work on the date coverage is scheduled to become effective; otherwise, the effective date is delayed until you return to full-time active work.

Basic Life Insurance provides a benefit should you die of any cause. If employment terminates, employees may opt for conversion. The Basic Life benefit includes an accelerated benefit option. You may be eligible to receive the accelerated benefit if you have 24 months or less to live. In which case you may receive up to 80% of your coverage, to a maximum of \$500,000.

Basic AD&D Insurance provides a benefit amount should you suffer the loss of life, sight, hand, or foot caused by an accidental bodily injury.



Things to think about:

- Life insurance and AD&D provides family members peace of mind by helping meet immediate financial needs arising from loss or injury of an employee.
- Employee's who have spouses electing similar coverage through their employer may wish to compare plans to determine the best coverage and most affordable rate.

Age Reductions Apply:

- Basic life insurance includes an age reduction benefit formula in accordance with the Age Discrimination and Employment Act (ADEA)
- At the age of 65 benefits will be reduced by 35% of the benefit amount. At the age of 70 basic benefits will be reduced by 50% of the benefit amount. All coverage terminates at retirement.

VOLUNTARY LIFE INSURANCE

The Corix Group of Companies offers you the option to purchase additional Life/AD&D insurance to supplement your basic benefits. Voluntary Life/AD&D insurance is available for you, your spouse and/or your child(ren) at group rates on a post-tax basis, allowing the benefit to be tax-free. Employees must purchase coverage for themselves before they are able to purchase coverage for dependents. If you are a newly eligible employee, you may enroll yourself as well as eligible dependents without evidence of insurability up to the guarantee issue level listed below. Any amount above your guarantee issue level will require evidence of insurability. Both benefits are portable upon termination. Requests to port this benefit must be made to HR within 30 days of your termination.

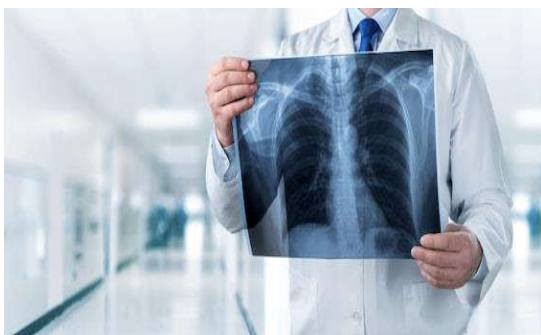
The table below illustrates a summary of these benefits. Please note that MetLife requires the purchase of coverage in stated increments.



Voluntary Life/AD&D Benefit Highlights:

	Voluntary Life Benefit Amounts
Employee	\$10,000 increments up to a maximum of \$500,000
Spouse	\$5,000 increments up to a maximum of \$150,000 not to exceed 50% of the employees elected amount
Child(ren)	15 days to 6 months old: \$1,000 6 months and older: Options of \$1,000, \$2,000, \$4,000, \$5,000 or \$10,000
Guarantee Issue*	<i>Employee: \$200,000</i> <i>Spouse: \$50,000</i>

***Guarantee issue:** the amount of coverage you are eligible to purchase during your initial enrollment period without providing evidence of “good health”. However, if you do not enroll when initially eligible, you will be required to provide evidence of “good health” for any amount elected.



DISABILITY INSURANCE

The Corix Group of Companies provides all eligible employees short term and long term disability insurance at **no cost** to you, administered by MetLife. Disability insurance is provided in the unfortunate event you become disabled and unable to work. Eligibility for these plans is an employee's 31st day of employment.



Short Term Disability Insurance (STD):

STD insurance provides paid leave for off-the-job illness or injury. To qualify for Short Term Disability, you must file a claim with MetLife and submit written proof of your disability from a treatment provider. You may also need to provide MetLife with additional medical records concerning the details of your disability. Once approved, STD claims are paid by the Company. An outline of the STD benefit offered to you is below:

Employees Hired on or After 1/1/2017:

Short Term Disability Benefit	
Benefit	60% of your weekly earnings up to 26 weeks
Elimination Period	0 days accident / 8 days illness

Employees Hired on or Before 12/31/2016:

Completed Years of Service	Short Term Disability Benefit
0-5 Years	60% of your weekly earnings up to 26 weeks
6 Years	65% of your weekly earnings up to 26 weeks
7 Years	70% of your weekly earnings up to 26 weeks
8 Years	75% of your weekly earnings up to 26 weeks
9 Years	80% of your weekly earnings up to 26 weeks
10 Years	85% of your weekly earnings up to 26 weeks
11 Years	90% of your weekly earnings up to 26 weeks
12+ Years	100% of your weekly earnings up to 26 weeks
Elimination Period	0 days accident / 8 days illness

Long Term Disability Insurance (LTD):

In order to qualify for Long Term Disability insurance, you must satisfy all requirements set forth by MetLife during the application process. In the event of disability, it is suggested that you begin the application process to receive benefits no later than your twelfth week of continuous disability to ensure sufficient time for review. An outline of the LTD benefit offered to you is below:

Long Term Disability Benefit	
Monthly Benefit Amount	60% of pre-disability earnings
Maximum Monthly Benefit	\$10,000/month
Elimination Period	180 days or until the end of the STD maximum benefit period
Own Occupation Period	24 months

PARENTAL LEAVE AND ADOPTION BENEFIT

The Corix Group of Companies provides full-time eligible employees who have completed one year of service, up to six weeks of parental leave paid at 100% following the birth of an employee's child or the placement of a child with an employee in connection with adoption or foster care. The purpose of paid parental leave is to enable the employee to care for and bond with a newborn or newly adopted or newly placed child. This policy will run concurrently with Family and Medical Leave Act (FMLA) leave, as applicable.



Parental Leave Highlights:

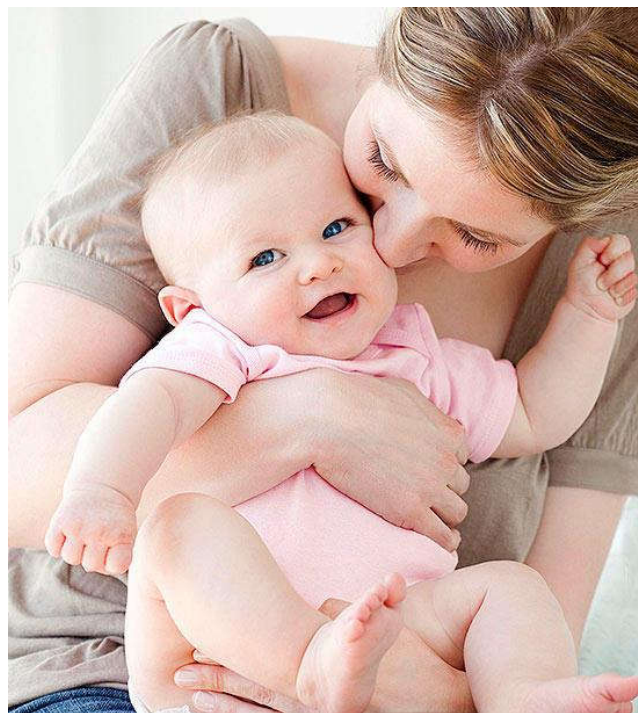
- ❖ You will not receive more than six weeks of paid parental leave in a rolling 12-month period, regardless of whether more than one birth, adoption, or foster care placement event occurs within that 12-month time frame.
- ❖ Approved Parental Leave begins on the day the child is born* or adopted and must be taken within 90 calendar days of that event. Parental Leave can be taken in increments of no less than one hour (for hourly employees) or one half day (for salaried employees).
- ❖ Any leave beyond 6 weeks provided for Parental Leave will be covered as outlined under STD and will require completion of a Certification of Healthcare Provider Form.
- ❖ You must provide your manager or HR with notice of the request at least 30 days prior to the proposed date of leave or, if the leave was not foreseeable, as soon as possible. You will be required to complete all necessary HR forms to substantiate your request.
- ❖ The Company has the exclusive right to interpret this policy
- ❖ If you are on an unrelated STD leave when parental leave would begin, the guidelines for the STD benefit supersede those for parental leave.

*When complications or pre-mature birth occur and require extended hospitalization of a new born child, the 90-day parental leave eligibility period will begin on the date of discharge from the hospital. Documentation and HR approval required.

Adoption Benefit

Adoption benefits are available to full-time employees after one year of service. The adopted child must be 17 years of age or younger unless the child is physically or mentally incapable of caring for himself or herself. Eligible adoption related expenses* will be reimbursed as they are incurred during the adoption process up to a maximum of \$5,000 per child.

*Adoption related expenses include lawyer fees, private and/or public agency fees, foreign adoption fees, temporary foster care charges, transportation costs, counseling fees associated with placement and costs related to pre-placement visitation.



FLEXIBLE SPENDING ACCOUNTS (FSA)

Our Health Care Flexible Spending Account (FSA) and Dependent Care Account (DCA) administered by Discovery Benefits, allows you the option to use pre-tax dollars to reimburse yourself for a wide variety of health and/or dependent care expenses that are not covered through your other benefit plans. You may **not** contribute to a FSA account if you are contributing to a HSA account. You must re-enroll in the FSA each year if you would like to contribute for the next plan year. Your elections will not roll over.

Health Care Flexible Spending Account:



The Health Care FSA reimburses you for eligible healthcare FSA expenses incurred by yourself, your spouse and your dependents. This account can be used to pay for qualified medical, dental or vision expenses not covered by your insurance. Physician office visit and prescription copays are some examples of qualified expenses. Please note you may **not** contribute to the Health Care FSA account if you are contributing to a HSA account. You may contribute up to the 2020 federal maximum limit of \$2,700.

Dependent Care Flexible Spending Account:

With the Dependent Care Flexible Spending Account, you may contribute up to the 2020 federal maximum limit of \$5,000 each year on a pre-tax basis. The Dependent Care FSA can help you pay for work-related care of your eligible dependents, such as day care, after school care and elder care. This account is designed to help you pay for dependent care while you are at work or looking for work. This limit will be reduced to \$2,500 if you are married and filing separate tax returns.

Limited Purpose FSA:

If you contribute to the HDHP plan and are contributing to a Health Savings Account, you are only eligible to contribute to a Limited Purpose FSA plan, up to the Federal IRS maximum. A Limited Purpose FSA allows you to set aside pre-tax dollars to cover out-of-pocket expenses **only** pertaining to dental, vision and preventive care. Your funds may be used for expenses incurred by you, your spouse or eligible dependents. Common eligible expenses are dental copays, vision copays and prescription glasses.

Eligible Health Care FSA Expenses:

- Laser eye surgery
- Prescription drugs
- Copays and coinsurance
- Deductibles
- Dental expenses
- Dermatology
- Eye exams, lenses, frames and contacts
- Hearing aids
- Cosmetic surgery to correct a medical condition
- Acupuncture
- Alcoholism and drug treatment center
- Artificial limbs and teeth
- Chiropractic care
- Insulin
- Smoking cessation Programs
- Wheelchairs

Deadline to Submit Claims:

Any dollar amount not reimbursed for expenses during the plan year will be forfeited. This is known as the "use it or lose it" rule. There is a grace period from January 1, 2021 through March 15, 2021 to incur expenses for the 2020 plan year. The deadline to submit all claims for the 2019 plan year is March 31, 2020.

Please note: Your election and contribution into an FSA plan is binding for the entire plan year and only a qualifying life event will allow you to change your election.

HEALTH SAVINGS ACCOUNT (HSA)



What is a Health Savings Account?

With an HSA, the unused dollars are yours to keep (even if you move out of the plan) to apply towards eligible medical, dental and vision expenses or to maintain as a retirement account. If you participate in a qualified High Deductible Health Plan, you are eligible to contribute to a Health Savings Account (HSA), administered by Flexible Benefits. The HSA plan is a consumer driven health plan that provides you the opportunity to build your retirement savings through unused contributed funds.

Who is Eligible for an HSA?

You are eligible to contribute to a Health Savings Account if:

- ❖ You are enrolled in a high-deductible health plan
- ❖ You are not covered under another medical plan that is not a high-deductible health plan
- ❖ You are not entitled to (eligible and enrolled) Medicare benefits

What are the Advantages to Participate?

Cost Savings:

- ❖ The Tax Benefits – money is set aside of a pre-tax basis
- ❖ HSA Contributions are excluded from federal income tax
- ❖ Interest earnings and withdrawals are tax-exempt
- ❖ Reduction in medical employee premium contributions.

Long-Term Financial Benefits:

- ❖ Save for future medical expenses. After age 65, the money can be used for anything with no penalties if used for unqualified medical expenses. The money is taxed as ordinary income and remains tax-free if withdrawn for medical expenses.
- ❖ Funds roll over year to year
- ❖ Fully-portable, meaning you can take the account with you if you leave the company

You may contribute up to the 2020 federal maximums listed below:

- ❖ **Single Coverage:** \$3,550
- ❖ **Family Coverage:** \$7,100
- ❖ **Catch-Up Contribution for 55+:** \$1,000

For a full list of eligible medical expenses, refer to the IRS website at: www.irs.gov



VOLUNTARY BENEFITS



Accident Advantage Plus Insurance:

Corix Group of Companies offers you the option to purchase Accident Advantage Plus Insurance, administered by Aflac. Accident insurance is designed to help covered employees meet their out-of-pocket expenses and extra bills that can follow an accidental injury, whether minor or catastrophic. A lump sum benefit is paid regardless of any other insurance plans you are enrolled. Accident insurance pays a benefit to you if an accident occurs either on or off the job. Coverage of the plan is portable, meaning you may take the plan with you if you leave or retire from your job. You have the option to elect coverage for you and your family. Please refer to the table below for benefit amounts.

Accident Advantage Plus - Benefit Amounts	
Paralysis (Quadriplegia/Paraplegia)	\$10,000/\$5,000
Torn/Severed Tendon or Ligament	\$400 single/\$600 multiple
Concussion	\$200
Coma (lasting 30 days)	\$10,000
Hospital Admission	\$1,000
Hospital Confinement (per day)	\$200
Hospital Intensive Care (per day)	\$400
Emergency Room	\$200
Ambulance (Ground/Air)	\$200 / \$1,000



Critical Illness Advantage Insurance:

Corix Group of Companies offers you the option to purchase Critical Illness Advantage insurance, administered by Aflac. Critical Illness insurance provides you extra money to help cover expenses incurred due to a critical illness. A few examples of qualified critical illnesses covered under the plan are: invasive cancer, heart attack, stroke and major organ transplant. The proceeds of your approved claim may be used towards whatever you wish. Coverage of the plan is portable, meaning you may take the plan with you if you leave or retire from your job. You may elect coverage for your spouse and dependent(s) not to exceed 50% of your own election. Please refer to the table below for benefit amounts and rate information.

Critical Illness Advantage - Benefit Amounts	
Benefit Amounts	<i>Employee:</i> \$5,000 - \$30,000 <i>Spouse:</i> \$5,000 - \$15,000; not to exceed 50% of employee's face amount <i>Child:</i> Up to 50% of the employee's face amount
Guaranteed Issue	<i>Employee:</i> \$30,000 <i>Spouse:</i> \$15,000
Health Screening Benefit	<i>Employee:</i> \$50 <i>Spouse:</i> \$50

VOLUNTARY BENEFITS



Hospital Indemnity Plan:

You have the option to enhance your medical plan with additional hospital benefits through Aflac. These benefits are designed to provide financial protection in the event of a hospital stay by paying a cash benefit of up to \$1,000 for hospital admission and \$75-150 per day for inpatient and ICU stays. Aflac group hospital indemnity insurance is designed to provide you with cash benefits to help with the following:

- ❖ Hospital Confinement
- ❖ Hospital Admission
- ❖ Hospital Intensive Care
- ❖ Intermediate Intensive Care Step-Down Unit
- ❖ Everyday living expenses, like your rent or mortgage, utility bills, groceries, and more
- ❖ Hospital Indemnity provides coverage for newborn children for 60 days from the date of birth.

Identity Theft Protection:



The Corix Group of Companies offers you the option to purchase Identity Theft Protection for you and your family members in the unfortunate event you or a loved ones identity is stolen. Identity theft protection will actively monitor your banking/credit, loans, healthcare information, taxes, notify you if there is a breach in security and more. Below are the Identity Theft plan options you may elect:

- ❖ **LifeLock Benefit Elite:** Only available as a deducted payroll benefit, includes millions of transactions per second every day for potential threats to your identity and financial assets, includes screening for misuse of your Social Security number, change of address and court records scanning if your identity was used to commit crimes.
- ❖ **LifeLock Ultimate Plus:** Services include bank account application and takeover alerts, online credit reports and credit scores
- ❖ **LifeLock Junior:** If dependents under age 18 are enrolled, protection helps safeguard your child's Social Security number with proactive identity theft protection designed for children.

Find out more by visiting LifeLock at www.lifelock.com or call 800-416-0599.



VOLUNTARY BENEFITS



Pet Insurance:

The Corix Group of Companies offers employees Pet Insurance, administered by PetFirst. Pet insurance for cats and dogs is offered in the form of property and casualty insurance. Plan coverage options include lifetime accident and illness up to \$20,000 per year, as well as routine care coverage up to \$400 per year. Choose which coverage best suits you and your pet's needs. Visit www.petfirst.com/utilities or call 866-937-7387 to receive a 10% discount for enrolling through the Company. An overview of the benefits that are offered through PetFirst are outlined below:

Plan Name	Premier Accident & Illness	
Coverage	Accidents & Illness (including breed-specific, congenital and chronic)	
Eligible Pets	Cats and Dogs	
Eligible Ages	All ages	
Annual Limit Options (resets each year)	\$2,000	\$5,000
Per-Incident Limit	None	
Reimbursement	90%	
Deductible Options	\$100	\$250

How does PetFirst Pet Insurance work?

- Take your pet to the vet
- Pay your bill
- Send claim form and bill to PetFirst
- Get reimbursement in as little as two weeks



SUPPORT AND GUIDANCE RESOURCES

Employee Assistance Program (EAP)

Problems are just a part of everyday life and Corix Group of Companies wants to provide you resources to deal with them. In addition to the benefits provided under your MetLife Insurance coverage, you and your household members have access to MetLife's completely confidential Employee Assistance Program (EAP), at no cost to you.

The EAP provides you and your dependents access to resources targeted to assist with work/life issues ranging from financial advice to grief counseling. Access to resources and advisors are available online as well as telephonically. The program can assist with identity theft recovery, relationship help, assistance with end-of-life matters, funeral arrangements, family support, addressing grief and financial issues.



How to get started:

- Log on to metlifegc.lifeworks.com and enter the following username: **metlifeeap** and password: **eap**
- Speak with a clinician anytime or schedule an appointment by calling 1-888-319-7819

Support Services in a time of need:

- ❖ 24/7/365 telephone counseling and referral services
- ❖ Three face-to-face sessions with a licensed clinician per incident, per individual, per calendar year
- ❖ Call 1-888-319-7819 anytime to speak with a clinician or to schedule an appointment



Benefits Value Advisor (BVA)

Benefits Value Advisor (BVA) is a consumer advocacy program that guides members through the complex world of health care, at **no cost** to you. BVA helps prompt you to examine and weigh every aspect of your health care decisions. Call the customer service number on the back of your BCBSIL ID card to speak with a Benefits Value Advisor today!

According to BCBS, 90% of members who call BVA prior to having a procedure, resulted in lower cost options for their care. The price between an MRI at two different clinics in the same town can vary by several hundred, or even thousands of dollars. Let the experts do the research for you, saving you time and money.

What Can Blue Value Advisor do for you?

- ❖ Assist in helping you locate doctors and treatment centers and compare costs
- ❖ Connect you with clinical program staff and provide online educational tools to learn more about your condition
- ❖ Coordinate pre-certification procedures
- ❖ Understand claims, explain coverage guidelines, order ID cards and more!

Before your next procedure, call the customer service number on the back of your BCBS member ID card to speak with a Benefits Value Advisor!

PROFESSIONAL CERTIFICATION/LICENSES

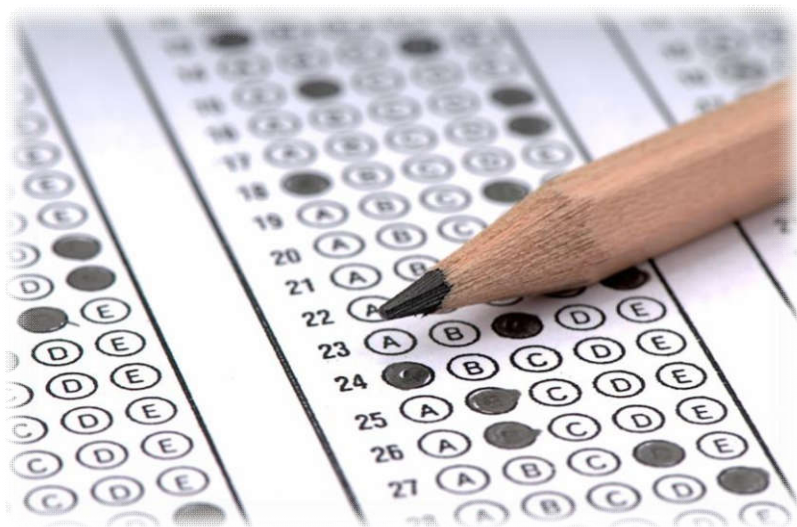
The Company requires certain positions to have the proper license and/or certifications for certain job titles. These requirements are listed on the job description for each position, which are on the WaterMain. Please contact a BU Executive about approval for any professional license or certification not identified below.

Coursework & Training:

The Corix Group of Companies will cover 100% of the costs associated with your first attempt at any job-required or job-related coursework related to obtaining a professional certification or license. This coursework must be approved by a BU Executive prior to any classes being scheduled and/or taken. Should the employee need to retake the course, the cost associated with additional attempts will be the responsibility of the employee.

Exams:

The Company will cover 100% of the costs associated with an employee's first attempt at completing an exam required to successfully obtain a professional certification or license. Should an employee not pass the exam on their first attempt, you will be responsible for the cost of the additional attempts.



Certification/Licensing Pay

Some certifications and/or licenses qualify for additional compensation or "Certification Pay" upon being obtained or re-certified. Certification pay is a one-time payment per qualifying event. Specific certification pay amounts are listed on the WaterMain. In order for an employee to be compensated for their achievement, a BU executive must submit approval via a certification pay check request.

CPA Review & Exam Reimbursement

The Company, at its sole discretion, may agree to reimburse an employee for CPA Review courses and/or CPA Exam fees that are deemed to be beneficial for the employee and the Company. This reimbursement would be subject to the stipulations outlined in the CPA Review & Reimbursement Agreement, found on the WaterMain.

Continuing Education Units or Credits (CEUs or CECs)

The Corix Group of Companies will cover 100% of the costs associated CEUs or CECs needed to maintain a professional license. CEUs or CECs must be approved by a BU Executive to ensure that the license meets a business need or is relevant to that employee's position.

EDUCATION ASSISTANCE

If you are a full-time employee, you may continue your education in a related field, and the Company may reimburse some of the tuition costs. All courses and costs must be pre-approved by the manager and a BU Executive and must be completed on your own time. Once the course is complete, a certified transcript of your grades and the receipts for your expenses must be submitted. You will be reimbursed for the portion of the tuition that was pre-approved on the following course by course basis:

Grade	Reimbursement
A	90% of the pre-approved reimbursement amount
B	75% of the pre-approved reimbursement amount
C	50% of the pre-approved reimbursement amount

In cases where classes are graded on a pass/fail basis, a passing grade will be reimbursed at 90%. To qualify for Education Assistance you must:

- ❖ Advise your manager prior to enrolling for approval of the course
- ❖ Ensure the course is job related and offered by an approved institution
- ❖ Have course and reimbursed approved by a BU Executive prior to the start of the course
- ❖ Receive a passing grade of a “C” or better
- ❖ Have at least one full year of prior service with the Company
- ❖ Sign an agreement stating that if you leave the Company within 12 months of completing the course, you must pay back the amount reimbursed

If you are eligible to receive educational benefits from another source, such as VeteransAdministration, the Company will consider some reimbursement of the remaining unpaid amount of your educational expenses.



ADDITIONAL BENEFITS

Paid Time Off (PTO)

Having enough time off to rest, relax and recharge is an important part of a work-life balance. We know employees who take most or all of their vacation time each year perform better, are more productive and more satisfied in their jobs than those who do not. We want to ensure you are well-rested and the most productive you can be. Refer to the accrual schedule below for annual PTO amounts:

Completed Years of Service	Hours Accrued Per Bi-Weekly Period	Hours Accrued Per Semi-Monthly Period	Annual PTO Hours (Days Available)
Less than 2 Years	5.54	6.00	144 hours (18 days)
2 to 5 Years	6.15	6.67	160 hours (20 days)
6 to 8 Years	7.69	8.33	200 hours (25 days)
9 to 10 Years	8.31	9.00	216 hours (27 days)
11 to 14 Years	8.92	9.67	232 hours (29 days)
15 to 24 Years	9.23	10.00	240 hours (30 days)
25+ Years	9.85	10.67	256 hours (32 days)

*Annual PTO accrual may not exceed 256 hours (32 days). Annual balances, including rollover (up to 5 days) may not exceed 296 hours.

Unused PTO Time

If you have unused PTO time remaining at year-end, you may carry up to 5 days (40 hours full-time, 20 hours part time), when otherwise legally required by state or local law. Carry-over must be used the following year and unused roll-over PTO is not paid out upon termination

Terminated Employees

At time of termination, any accrued, unused PTO will be pro-rated (through your last full pay period worked) and paid out on your final check. For employees voluntarily terminating, PTO cannot be used during the two-week notice period, as the employee is typically required to work during this time, train their replacement, or perform other duties as required.

Paid Company Holidays:

Corix Group of Companies offers full-time employees eleven (11) company paid holidays, including 2 Floating Holidays*. Please note that the designated holidays may change each year. The scheduled holidays include:

- ❖ New Year’s Day
- ❖ Memorial Day
- ❖ Labor Day
- ❖ Christmas Eve
- ❖ Martin Luther King Day
- ❖ Independence Day
- ❖ Thanksgiving Day
- ❖ Christmas Day
- ❖ Day after Thanksgiving
- ❖ 2 Floating Holidays

*Two additional days (16 hours) provided as a substitute for a public holiday to be taken on a date chosen by the employee and approved by her/his manager. Floating holidays must be used within the calendar year and do not carry over.

ADDITIONAL BENEFITS



401(k) Retirement Savings Plan:

Plan Eligibility – You become eligible to make Elective Deferral Contributions, receive Safe Harbor Matching Contributions and Non-Elective Contributions as of the first of the month following the date you attain age 21 and you complete 1 month of service, measured from your date of hire, provided that you are an Eligible Employee as of that date.

Active Enrollment – If you are logging in for the first time, you will need your PIN which will be sent to your home address by mail a month prior to initial eligibility. To enroll, you must login to the JP Morgan website at www.retirementlink.jpmorgan.com. Additional information can be found on the WaterMain in the HR/Payroll drop down under “Benefits”, “Forms” then “401(k).”

Employee Contributions – You may elect to make a contribution to the Plan on a pre-tax basis and/or on an after-tax Roth basis. These pre-tax and/or after-tax Roth contributions are known as Elective Deferral Contributions. You may elect to defer up to 100% of your Compensation on a pre-tax basis and/or after-tax Roth basis.

Automatic Enrollment – New hires are automatically enrolled in the plan with a default deferral of 3%. A new employee may opt out or increase their deferral at the time of hire. These contributions will begin through a payroll deduction on the 1st of the month following the completion of one month of service.

Employer Matching - You are eligible to contribute 100% of your salary up to the IRS maximum through pre-tax payroll deductions to your 401(k) Plan. If you are 50 years of age or older, you are allowed an additional \$6,500 in catch up contributions to the plan. If you elect to contribute to your 401(k) Plan, the company will make a matching contribution to your account. Prior to the beginning of each year, the Company will announce the applicable matching level and cap for that year.

We will match your contributions 100%, dollar for dollar, on the first 3% you contribute to the 401(k) plan. The Company will make an additional matching contribution of \$.50 on every \$1.00 you contribute to the 401(k) Plan up to a maximum contribution on 5% (equal to 4%) of your base annual compensation. If you do not contribute to the 401(k) Plan you will not be eligible for a matching contribution.

Non-Elective Company Contribution - As of January 1, 2019, employees who meet the eligibility requirements of the 401(k) plan will receive a non-elective contribution (NEC) from the Company equal to 3% of their eligible wages which will be deposited into their 401(k) account on a per pay period basis regardless of whether they have made contributions of their own.

Vesting – All contributions made to the 401(k) plan are vested at 100%. This includes both the Employer Matching contributions & 401(k) Non-Elective Company contributions made by the Company.

ADDITIONAL RESOURCES

Sound Consulting Services Retirement Plan Advisors (SCS):

SCS Retirement offers you free, one-on-one retirement plan consulting and wealth management services. SCS Retirement provide comprehensive investment fiduciary services and are experienced in creating efficient plans for participants.

SCS Retirement Can Help:

- ❖ Understanding the investment choices available within your retirement plan
- ❖ Determining your Investment Objective and Risk Tolerance
- ❖ Deciding how much to contribute from your paycheck into your Retirement Plan
- ❖ Investment Allocation based on your needs and Risk Tolerance

SCS Retirement Provides:

- ❖ Comprehensive Investment Review
- ❖ Complete Retirement Planning
- ❖ College Financial Planning and Estate Planning
- ❖ Individual Retirement Accounts (IRAs)
- ❖ Consolidation of your Investment Accounts

Contact SCS Retirement at: (425) 454-4015 or visit www.scsretirement.com.

Blue Access for Members (BAM):

If you are enrolled in a BCBSIL medical plan you have access to many of their online resources. Save time with self-service support tools and health and wellness resources on a convenient and secure online site. Below are just a few of the resources you have access to when you register online at bcbsil.com:

- ❖ Check claims and claims history
- ❖ Find an in-network provider
- ❖ Use the cost estimator tool for an expected cost range for your procedure
- ❖ View, save or print Explanation of Benefits (EOBs)
- ❖ Sign up for electronic EOBs, and turn off paper
- ❖ View benefits and covered dependents
- ❖ Check coverage details and Rx benefit information
- ❖ Manage mobile and texting preferences
- ❖ Request new ID cards or print temporary ID cards
- ❖ Access health and wellness information and guides
- ❖ Get details on wellness, discounts, 24/7 Nurseline

Go to bcbsil.com and log in to Blue Access for Members via web or mobile. Click **Register Now** for New Users

To register you will need your Identification number on the front of your ID card OR you can call the Customer Service number on the back of the card.



To download the app, go to Google Play, the App Store or text **BCBSILAPP** to **33633**

ADDITIONAL RESOURCES



Well onTarget

Employees and dependents (age 18 and older) who are covered on one of the medical plans offered through BCBSIL have access to the Well onTarget Fitness program. Well onTarget provides discounts on gym memberships at over 9,000 fitness centers.

Fitness that Works for you

Well onTarget is available exclusively to BCBSIL members and their covered dependents (age 18 and older). The fitness program provides:

- ❖ **Flexible memberships** - no long-term contract required! Enroll for a one-time fee of \$25 and pay \$25 per month for a membership
- ❖ **Unlimited access** - nationwide network of more than 9,000 participating fitness centers
- ❖ **Online fitness center locator** - locate centers near you and views of your fitness center visits online
- ❖ **Easy online enrollment** - automatic monthly payment withdrawal
- ❖ **Access to discounts** - nationwide complementary and alternative medicine (CAM) network of 40,000 health and well-being providers such as massage therapists, personal trainers and nutrition counselors
- ❖ **Earn Life Points** - each week earn points for regular visits. You will earn a bonus 2,500 Life Points just for joining the program! Redeem points for apparel, books, electronics, health and personal care items, music and sporting goods.

Enroll online today by:

- ❖ logging on to Blue Access for Members (BAM) at bcbsil.com
- ❖ Calling 888-762-BLUE (2583) Monday-Friday 8am-9pm

Travel/Accident Insurance



Corix Group of Companies automatically provides you with travel/accident Insurance, at **no cost** to you, administered by ACE. We want to further financially assist your family members in the event of loss of life while traveling for business. The value of this benefit is based on your position classification outlined below:

Position	Employee	Spouse	Dependents
Operations & Field	\$100,000	\$25,000	\$10,000
Office & Clerical	\$50,000	\$25,000	\$10,000

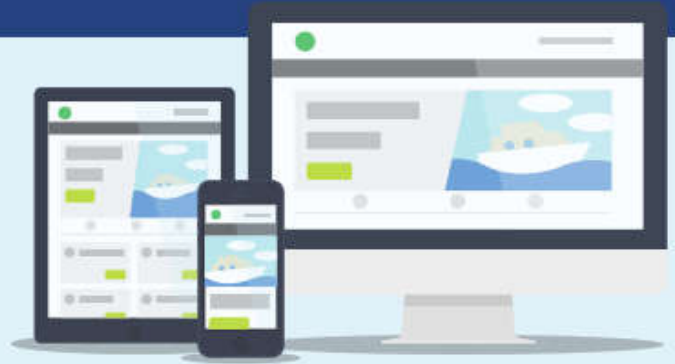
Policy Number: ADDN01062487

ADDITIONAL RESOURCES

PerkSpot Discount Program

Corix offers you the option to save money on items that you may already be using! PerkSpot is a one-stop-shop discount program that provides you with exclusive discounts at hundreds of national and local merchants. Access your perks at hays.perkspot.com and browse dozens of categories that fit your lifestyle.

Your discount program is a one-stop-shop for **exclusive discounts** at hundreds of national and local merchants!



access your perks at
HAYS.PERKSPOT.COM

Dozens of great categories like



HOTELS



COMPUTERS



TICKETS



CELL PHONES



RESTAURANTS



AUTOMOTIVE



APPAREL



TOYS & KIDS



GIFTS



WELLNESS

and many more!

EMPLOYEE CONTRIBUTIONS

All benefit and rate information outlined in this guide can be found on the HR Page of the Company Intranet Website.

Medical Plan Contributions - Preventive Rates

PPO Plan	Bi-Weekly	Semi-Monthly
Employee Only	\$64.02	\$69.36
Employee + Spouse	\$165.28	\$179.05
Employee + Child(ren)	\$139.11	\$150.70
Family	\$241.03	\$261.12
HDHP Plan	Bi-Weekly	Semi-Monthly
Employee Only	\$56.23	\$60.92
Employee + Spouse	\$144.62	\$156.67
Employee + Child(ren)	\$121.72	\$131.87
Family	\$210.90	\$228.48

Medical Plan Contributions - Non-Preventive Rates

PPO Plan	Bi-Weekly	Semi-Monthly
Employee Only	\$148.21	\$160.56
Employee + Spouse	\$333.65	\$361.46
Employee + Child(ren)	\$223.30	\$241.90
Family	\$409.41	\$443.53
HDHP Plan	Bi-Weekly	Semi-Monthly
Employee Only	\$77.28	\$83.72
Employee + Spouse	\$313.00	\$339.08
Employee + Child(ren)	\$205.91	\$223.07
Family	\$379.28	\$410.89

Dental Contributions

PPO Plan	Bi-Weekly	Semi-Monthly
Employee Only	\$3.36	\$3.64
Employee + Spouse	\$6.96	\$7.54
Employee + Child(ren)	\$8.18	\$8.86
Family	\$12.67	\$13.72

IMPORTANT NOTICES

General Notice of COBRA Continuation Rights

This Notice generally explains COBRA continuation coverage, when it may become available to you and your family, and what you need to do to protect the right to receive it. Please read it carefully.

Introduction

You are receiving this Notice because you have recently become covered (or may soon become covered) under a group health plan (the “Plan”). This Notice contains important information about your rights to COBRA continuation coverage, which is a temporary extension of coverage under the Plan.

What is COBRA Continuation Coverage?

COBRA continuation coverage is a continuation of Plan coverage when coverage would otherwise end because of a life event known as a “qualifying event”. Specific qualifying events are listed later in this Notice. After a qualifying event, COBRA continuation coverage must be offered to each person who is a “qualified beneficiary”. You, your spouse and your dependent children could become qualified beneficiaries if coverage under the Plan is lost because of the qualifying event. Under the Plan, qualified beneficiaries who elect COBRA continuation coverage must pay for this coverage. If you are an employee, you will become a qualified beneficiary if you lose your coverage under the Plan because one of the following qualifying events happens:

Your hours of employment are reduced, or

Your employment ends for any reason other than your gross misconduct

General Notice of COBRA Continuation Rights Continued

If you are the spouse of an employee, you will become a qualified beneficiary if you lose your coverage under the Plan because any of the following qualifying events happen:

Your spouse dies;

Your spouse’s hours of employment are reduced;

Your spouse’s employment ends for any reason other than his or her gross misconduct;

Your spouse becomes entitled to Medicare benefits (under Part A, Part B or both); or,

You become divorced or legally separated from your spouse.

Your dependent children will become qualified beneficiaries if they lose coverage under the Plan because any of the following qualifying events happen:

The parent/employee dies;

The parent/employee’s hours of employment are reduced;

The parent/employee’s employment ends for any reason other than his or her gross misconduct;

The parent/employee becomes entitled to Medicare benefits (under Part A, Part B or both);

The parents become divorced or legally separated; or,

The child is no longer eligible for coverage under the Plan as a “dependent child”.

When is COBRA Coverage Available?

The Plan will offer COBRA continuation coverage to qualified beneficiaries only after the Plan Administrator has been notified that a qualifying event has occurred. When the qualifying event is the end of employment or reduction of hours, disability, death of an employee or the employee’s becoming entitled to Medicare benefits, the employer must notify the Plan Administrator of the qualifying event.

You Must Give Notice of Some Qualifying Events

For the other qualifying events, such as divorce or legal separation or the dependent child losing eligibility under the Plan, you must notify the Plan Administrator within 60 days of the qualifying event occurring. You must provide this notice, along with any requested documentation to Human Resources

Marriage, Birth, or Adoption

If you have a new dependent as a result of a marriage, birth, adoption, or placement for adoption, you may be able to enroll yourself and your dependents. However, you must request enrollment within 30 days after the marriage, birth, or placement for adoption. Example: When you were hired by us, you were single and chose not to elect health insurance benefits. One year later, you marry. You and your eligible dependents are entitled to enroll in this group health plan. However, you must apply within 31 days from the date of your marriage.

IMPORTANT NOTICES

How is COBRA Coverage Provided?

Once the Plan Administrator receives notice that a qualifying event has occurred, COBRA continuation coverage will be offered to each of the qualifying beneficiaries. Each qualified beneficiary will have an independent right to elect COBRA continuation coverage. Covered employees may elect COBRA continuation coverage on behalf of their spouses, and parents may elect COBRA continuation coverage on behalf of their children. COBRA continuation coverage is a temporary continuation of coverage. When the qualifying event is the death of the employee, the employee becoming entitled to Medicare benefits, divorce or legal separation, or a dependent child losing eligibility under the Plan, COBRA continuation coverage lasts for up to a total of 36 months.

When the qualifying event is the end of employment or reduction in the employee's hours of employment and the employee became entitled to Medicare benefits less than 18 months before the qualifying event, COBRA continuation coverage for qualified beneficiaries other than the employee lasts until 36 months after the date of Medicare entitlement. *For example*, if a covered employee becomes entitled to Medicare 8 months before the date on which his or her employment terminates, COBRA continuation coverage for his spouse and dependent children can last up to 36 months after the date of Medicare entitlement, which is equal to 28 months after the date of the qualifying event. Otherwise, when the qualifying event is the end of employment or reduction of the employee's hours of employment, COBRA continuation coverage generally lasts for only up to a total of 18 months. There are two ways in which this 18-month period of COBRA continuation coverage can be extended.

Disability extension of 18-month period of continuation coverage

If you or anyone in your family covered under the Plan is determined by the Social Security Administration to be disabled and you notify the Plan Administrator in a timely fashion, you and any family members covered under the Plan may be entitled to receive up to an additional 11 months of COBRA continuation coverage, for a total maximum of 29 months. The disability must have started at some time before the 60th day of COBRA continuation coverage and must last until the end of the 18-month period of coverage. You must provide this notice of disability, along with any requested documentation to Corix Infrastructure.

Second qualifying event extension of 18-month period of continuation coverage

If your family experiences another qualifying event while receiving 18 months of COBRA continuation coverage, the spouse and dependent children can receive up to 18 additional months of COBRA continuation coverage, for a maximum of 36 months, provided notice of the second qualifying event is properly given to the Plan. This extension may be available to the spouse and any dependent children receiving continuation coverage if the employee or former employee dies, becomes entitled to Medicare benefits, becomes divorced or legally separated or if the dependent child is no longer eligible as a dependent child under the Plan, but only if this second event would have caused the spouse or dependent child to lose coverage under the Plan had the first qualifying event not occurred.

Questions

Questions concerning your Plan or your COBRA coverage continuation rights should be addressed to the Plan contact. For more information about your rights under ERISA, including COBRA, the Health Insurance Portability and Accountability Act (HIPAA) and any other laws or regulations affecting group health plans, contact the nearest regional or district office of the U.S. Department of Labor's Employee Benefits Security Administration (EBSA) or visit the EBSA website at www.dol.gov/ebsa.

Keep the Plan Informed of Any Address Changes

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

Health Insurance Portability and Accountability Act of 1996 - Privacy

The *Health Insurance Portability and Accountability Act of 1996* (HIPAA) requires health plans to maintain the privacy of your health information and to provide you with a notice of the plan's legal duties and privacy practices with respect to your health information. The notice describes how the plan may use or disclose your health information, under what circumstances it may share your health information without your authorization (generally to carry out treatment, payment, or health care operations), and your rights with respect to your health information.

As required by HIPAA, Corix Infrastructure maintains the confidentiality of your health information and has policies and procedures in place to help protect it from improper use and disclosure.

IMPORTANT NOTICES

Health Insurance Portability and Accountability Act of 1996 (HIPAA)

This notice is being provided to insure that you understand your right to apply for group health insurance coverage. You should read this notice even if you plan to waive coverage at this time.

Loss of Other Coverage

If you are declining coverage for yourself or your dependents (including your spouse) because of other health insurance or group health plan coverage, you may be able to enroll yourself and your dependents in this plan if you or your dependents lose eligibility for that other coverage (or if the employer stops contributing toward your or your dependents' other coverage). However, you must request enrollment within 30 days after you or your dependents' other coverage ends (or after the employer stops contributing toward the other coverage).

Example: You waived coverage because you were covered under a plan offered by your spouse's employer. Your spouse terminates his/her employment. If you notify Corix Infrastructure within 30 days of the date coverage ends, you and your eligible dependents may apply for coverage under our health plan.

Medicare Part D Notice of Creditable Coverage

Please read this notice carefully and keep it where you can find it. This notice has information about your current prescription drug coverage with Corix Infrastructure and about your options under Medicare's prescription drug coverage. This information can help you decide whether or not you want to join a Medicare drug plan. If you are considering joining, you should compare your current coverage, including which drugs are covered at what cost, with the coverage and costs of the plans offering Medicare prescription drug coverage in your area. Information about where you can get help to make decisions about your prescription drug coverage is at the end of this notice. There are two important things you need to know about your current coverage and Medicare's prescription drug coverage:

Medicare prescription drug coverage became available in 2006 to everyone with Medicare. You can get this coverage if you join a Medicare Prescription Drug Plan or join a Medicare Advantage Plan (like an HMO or PPO) that offers prescription drug coverage. All Medicare drug plans provide at least a standard level of coverage set by Medicare. Some plans may also offer more coverage for a higher monthly premium.

Corix Infrastructure has determined that the prescription drug coverage offered by the Corix Infrastructure Health and Welfare Plan is, on average for all plan participants, expected to pay out as much as standard Medicare prescription drug coverage pays and is therefore considered Creditable Coverage. Because your existing coverage is Creditable Coverage, you can keep this coverage and not pay a higher premium (a penalty) if you later decide to join a Medicare drug plan.

When Can You Join A Medicare Drug Plan?

You can join a Medicare drug plan when you first become eligible for Medicare and each year from October 15th to December 7th. However, if you lose your current creditable prescription drug coverage, through no fault of your own, you will also be eligible for a two (2) month Special Enrollment Period (SEP) to join a Medicare drug plan.

What Happens To Your Current Coverage If You Decide to Join A Medicare Drug Plan?

If you decide to join a Medicare drug plan, your current Corix Infrastructure coverage will be affected. If you decide to elect Part D coverage, coverage under the Corix Infrastructure plan will end for the individual and all covered dependents if you do decide to join a Medicare drug plan and drop your current Corix Infrastructure coverage, be aware that you and your dependents will not be able to get this coverage back (except during certain open enrollment periods).

When Will You Pay A Higher Premium (Penalty) To Join A Medicare Drug Plan?

You should also know that if you drop or lose your current coverage with Corix Infrastructure and don't join a Medicare drug plan within 63 continuous days after your current coverage ends, you may pay a higher premium (a penalty) to join a Medicare drug plan later.

If you go 63 continuous days or longer without creditable prescription drug coverage, your monthly premium may go up by at least 1% of the Medicare base beneficiary premium per month for every month that you did not have that coverage. For example, if you go nineteen months without creditable coverage, your premium may consistently be at least 19% higher than the Medicare base beneficiary premium. You may have to pay this higher premium (a penalty) as long as you have Medicare prescription drug coverage. In addition, you may have to wait until the following November to join.

IMPORTANT NOTICES

For More Information About This Notice Or Your Current Prescription Drug Coverage...

Contact the person listed below for further information. Note that you will receive this notice each year. You will also get it before the next period you can join a Medicare drug plan, and if this coverage through Corix Infrastructure changes. You also may request a copy of this notice at any time.

For More Information About Your Options Under Medicare Prescription Drug Coverage...

More detailed information about Medicare plans that offer prescription drug coverage is in the “Medicare & You” handbook. You’ll get a copy of the handbook in the mail every year from Medicare. You may also be contacted directly by Medicare drug plans.

For more information about Medicare prescription drug coverage:

Visit www.medicare.gov

Call your State Health Insurance Assistance Program (see the inside back cover of your copy of the “Medicare & You” handbook for their telephone number) for personalized help

Call 1-800-MEDICARE (1-800-633-4227). TTY users should call 1-877-486-2048.

If you have limited income and resources, extra help paying for Medicare prescription drug coverage is available. For information about this extra help, visit Social Security on the web at www.socialsecurity.gov, or call them at 1-800-772-1213 (TTY 1-800-325-0778).

Remember: Keep this Creditable Coverage notice. If you decide to join one of the Medicare drug plans, you may be required to provide a copy of this notice when you join to show whether or not you have maintained creditable coverage and, therefore, whether or not you are required to pay a higher premium (a penalty).

Medicaid or CHIP

If you or your children are eligible for Medicaid or CHIP and you’re eligible for health coverage from your employer, your state may have a premium assistance program that can help pay for coverage, using funds from their Medicaid or CHIP programs. If you or your children aren’t eligible for Medicaid or CHIP, you won’t be eligible for these premium assistance programs but you may be able to buy individual insurance coverage through the Health Insurance Marketplace. For more information, visit www.healthcare.gov.

If you or your dependents are already enrolled in Medicaid or CHIP and you live in a State listed below, contact your State Medicaid or CHIP office to find out if premium assistance is available.

If you or your dependents are NOT currently enrolled in Medicaid or CHIP, and you think you or any of your dependents might be eligible for either of these programs, contact your State Medicaid or CHIP office or dial **1-877-KIDS NOW** or www.insurekidsnow.gov to find out how to apply. If you qualify, ask your state if it has a program that might help you pay the premiums for an employer-sponsored plan.

If you or your dependents are eligible for premium assistance under Medicaid or CHIP, as well as eligible under your employer plan, your employer must allow you to enroll in your employer plan if you aren’t already enrolled. This is called a “special enrollment” opportunity, and **you must request coverage within 60 days of being determined eligible for premium assistance**. If you have questions about enrolling in your employer plan, contact the Department of Labor at www.askebsa.dol.gov or call **1-866-444-EBSA (3272)**.

If you live in one of the following states, you may be eligible for assistance paying your employer health plan premiums. The following list of states is current as of July 31, 2019. Contact your State for more information on eligibility –

ALABAMA – Medicaid	FLORIDA – Medicaid
Website: http://myalhipp.com/ Phone: 1-855-692-5447	Website: http://flmedicaidprecovery.com/hipp/ Phone: 1-877-357-3268
ALASKA – Medicaid	GEORGIA – Medicaid
The AK Health Insurance Premium Payment Program Website: http://myakhipp.com/ Phone: 1-866-251-4861 Email: CustomerService@MyAKHIP.com Medicaid Eligibility: http://dhss.alaska.gov/dpa/Pages/medicaid/default.aspx	Website: http://dch.georgia.gov/medicaid - Click on Health Insurance Premium Payment (HIPPP) Phone: 404-656-4507

IMPORTANT NOTICES

<p align="center">ARKANSAS – Medicaid</p> <p>Website: http://myarhipp.com/ Phone: 1-855-MyARHIPP (855-692-7447)</p>	<p align="center">INDIANA – Medicaid</p> <p>Healthy Indiana Plan for low-income adults 19-64 Website: http://www.in.gov/fssa/hip/ Phone: 1-877-438-4479 All other Medicaid Website: http://www.indianamedicaid.com Phone 1-800-403-0864</p>
<p align="center">COLORADO – Health First Colorado (Colorado’s Medicaid Program) & Child Health Plan Plus (CHP+)</p> <p>Health First Colorado Website: https://www.healthfirstcolorado.com/ Health First Colorado Member Contact Center: 1-800-221-3943/ State Relay 711 CHP+: Colorado.gov/HCPF/Child-Health-Plan-Plus CHP+ Customer Service: 1-800-359-1991/ State Relay 711</p>	<p align="center">IOWA – Medicaid</p> <p>Website: http://dhs.iowa.gov/hawk-i Phone: 1-800-257-8563</p>
<p align="center">KANSAS – Medicaid</p> <p>Website: http://www.kdheks.gov/hcf/ Phone: 1-785-296-3512</p>	<p align="center">NEW HAMPSHIRE – Medicaid</p> <p>Website: https://www.dhhs.nh.gov/ombp/nhhpp/ Phone: 603-271-5218 Hotline: NH Medicaid Service Center at 1-888-901-4999</p>
<p align="center">KENTUCKY – Medicaid</p> <p>Website: https://chfs.ky.gov Phone: 1-800-635-2570</p>	<p align="center">NEW JERSEY – Medicaid and CHIP</p> <p>Medicaid Website: http://www.state.nj.us/humanservices/dmahs/clients/medicaid/ Medicaid Phone: 609-631-2392 CHIP Website: http://www.njfamilycare.org/index.html CHIP Phone: 1-800-701-0710</p>
<p align="center">LOUISIANA – Medicaid</p> <p>Website: http://dhh.louisiana.gov/index.cfm/subhome/1/n/331 Phone: 1-888-695-2447</p>	<p align="center">NEW YORK – Medicaid</p> <p>Website: https://www.health.ny.gov/health_care/medicaid/ Phone: 1-800-541-2831</p>
<p align="center">MAINE – Medicaid</p> <p>Website: http://www.maine.gov/dhhs/ofi/public-assistance/index.html Phone: 1-800-442-6003 TTY: Maine relay 711</p>	<p align="center">NORTH CAROLINA – Medicaid</p> <p>Website: https://dma.ncdhhs.gov/ Phone: 919-855-4100</p>
<p align="center">MASSACHUSETTS – Medicaid and CHIP</p> <p>Website: http://www.mass.gov/eohhs/gov/departments/masshealth/ Phone: 1-800-862-4840</p>	<p align="center">NORTH DAKOTA – Medicaid</p> <p>Website: http://www.nd.gov/dhs/services/medicalserv/medicaid/ Phone: 1-844-854-4825</p>
<p align="center">MINNESOTA – Medicaid</p> <p>Website: https://mn.gov/dhs/people-we-serve/seniors/health-care/health-care-programs/programs-and-services/other-insurance.jsp Phone: 1-800-657-3739</p>	<p align="center">OKLAHOMA – Medicaid and CHIP</p> <p>Website: http://www.insureoklahoma.org Phone: 1-888-365-3742</p>
<p align="center">MISSOURI – Medicaid</p> <p>Website: http://www.dss.mo.gov/mhd/participants/pages/hipp.htm Phone: 573-751-2005</p>	<p align="center">OREGON – Medicaid</p> <p>Website: http://healthcare.oregon.gov/Pages/index.aspx http://www.oregonhealthcare.gov/index-es.html Phone: 1-800-699-9075</p>
<p align="center">MONTANA – Medicaid</p> <p>Website: http://dphhs.mt.gov/MontanaHealthcarePrograms/HIPP Phone: 1-800-694-3084</p>	<p align="center">PENNSYLVANIA – Medicaid</p> <p>Website: http://www.dhs.pa.gov/provider/medicalassistance/healthinsurancpremiumpaymenthippprogram/index.htm Phone: 1-800-692-7462</p>

IMPORTANT NOTICES

NEBRASKA – Medicaid	RHODE ISLAND – Medicaid
Website: http://www.ACCESSNebraska.ne.gov Phone: (855) 632-7633 Lincoln: (402) 473-7000 Omaha: (402) 595-1178	Website: http://www.eohhs.ri.gov/ Phone: 855-697-4347
NEVADA – Medicaid	SOUTH CAROLINA – Medicaid
Medicaid Website: http://dhcfp.nv.gov Medicaid Phone: 1-800-992-0900	Website: https://www.scdhhs.gov Phone: 1-888-549-0820
SOUTH DAKOTA - Medicaid	WASHINGTON – Medicaid
Website: http://dss.sd.gov Phone: 1-888-828-0059	Website: http://www.hca.wa.gov/free-or-low-cost-health-care/program-administration/premium-payment-program Phone: 1-800-562-3022 ext. 15473
TEXAS – Medicaid	WEST VIRGINIA – Medicaid
Website: http://gethipptexas.com/ Phone: 1-800-440-0493	Website: http://mywvhipp.com/ Toll-free phone: 1-855-MyWVHIPP (1-855-699-8447)
UTAH – Medicaid and CHIP	WISCONSIN – Medicaid and CHIP
Medicaid Website: https://medicaid.utah.gov/ CHIP Website: http://health.utah.gov/chip Phone: 1-877-543-7669	Website: https://www.dhs.wisconsin.gov/publications/p1/p10095.pdf Phone: 1-800-362-3002
VERMONT– Medicaid	WYOMING – Medicaid
Website: http://www.greenmountaincare.org/ Phone: 1-800-250-8427	Website: https://wyequalitycare.acs-inc.com/ Phone: 307-777-7531
VIRGINIA – Medicaid and CHIP	
Medicaid Website: http://www.coverva.org/programs_premium_assistance.cfm Medicaid Phone: 1-800-432-5924 CHIP Website: http://www.coverva.org/programs_premium_assistance.cfm CHIP Phone: 1-855-242-8282	

To see if any other states have added a premium assistance program since July 31, 2019, or for more information on special enrollment rights, contact either:

U.S. Department of Labor

Employee Benefits Security Administration
www.dol.gov/agencies/ebsa
 1-866-444-EBSA (3272)

U.S. Department of Health and Human Services

Centers for Medicare & Medicaid Services
www.cms.hhs.gov
 1-877-267-2323, Menu Option 4, Ext. 61565

Paperwork Reduction Act Statement

According to the Paperwork Reduction Act of 1995 (Pub. L. 104-13) (PRA), no persons are required to respond to a collection of information unless such collection displays a valid Office of Management and Budget (OMB) control number. The Department notes that a Federal agency cannot conduct or sponsor a collection of information unless it is approved by OMB under the PRA, and displays a currently valid OMB control number, and the public is not required to respond to a collection of information unless it displays a currently valid OMB control number. See 44 U.S.C. 3507. Also, notwithstanding any other provisions of law, no person shall be subject to penalty for failing to comply with a collection of information if the collection of information does not display a currently valid OMB control number. See 44 U.S.C. 3512.

The public reporting burden for this collection of information is estimated to average approximately seven minutes per respondent. Interested parties are encouraged to send comments regarding the burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the U.S. Department of Labor, Employee Benefits Security Administration, Office of Policy and Research, Attention: PRA Clearance Officer, 200 Constitution Avenue, N.W., Room N-5718, Washington, DC 20210 or email ebsa.opr@dol.gov and reference the OMB Control Number 1210-0137.

IMPORTANT NOTICES

Women's Health and Cancer Rights Act of 1998

If you have had or are going to have a mastectomy, you may be entitled to certain benefits under this Act. For individuals receiving mastectomy-related benefits, coverage will be provided in a manner determined in consultation with the attending physician and the patient, for:

- All stages of reconstruction of the breast on which the mastectomy was performed;
- Surgery and reconstruction of the other breast to produce a symmetrical appearance;
- Prostheses; and
- Treatment of physical complications of the mastectomy, including lymphedema.

These benefits will be provided subject to the same deductibles and coinsurance applicable to other medical and surgical benefits provided under this plan.

Newborns' and Mothers' Health Protection Act of 1996

The Newborns' Act and its regulations provide that health plans and insurance issuers may not restrict a mother's or newborn's benefits for a hospital length of stay that is connected to childbirth to less than 48 hours following a vaginal delivery or 96 hours following a delivery by cesarean section. However, the attending provider (who may be a physician or nurse midwife) may decide, after consulting with the mother, to discharge the mother or newborn child earlier. The Newborns' Act, and its regulations, prohibit incentives (either positive or negative) that could encourage less than the minimum protections under the Act as described above.

A mother cannot be encouraged to accept less than the minimum protections available to her under the Newborns' Act and an attending provider cannot be induced to discharge a mother or newborn earlier than 48 or 96 hours after delivery. In any case, plans and issuers may not, under Federal law, require that a provider obtain authorization from the plan or the issuer for prescribing the length of stay not in excess of 48 hours or 96 hours, as the case may be.

Genetic Information Non-Discrimination Act of 2008 (GINA)

The Genetic Information Non-Discrimination Act of 2008 (GINA) prohibits employers and other entities covered by GINA Title II from requesting or requiring genetic information of an individual or family members of the individual, except as specifically allowed by this law. To comply with this law, Corix Infrastructure will generally never require a benefits participant to provide any genetic information when responding to any request for medical information in connection with enrollment in any Corix Infrastructure benefits plan or accessing any of your Corix Infrastructure plan benefits. Genetic information as defined by GINA, includes an individual's family medical history, the results of an individual's or family member's genetic test, the fact that an individual or an individual's family member sought or received genetic services, and genetic information of a fetus carried by an individual's family member or an embryo lawfully held by an individual or family member receiving assistive reproductive services. For more information about GINA, visit www.dol.gov/ebsa/faqs/faq-GINA.html

Uniformed Services Employment & Reemployment Rights Act (USERRA)

The Uniformed Services Employment and Reemployment Rights Act (USERRA) was enacted in 1994 following U.S. military action in the Persian Gulf. USERRA prohibits discrimination against individuals on the basis of membership in the uniformed services with regard to any aspect of employment. Since its enactment, USERRA has been modified and expanded by additional federal laws, such as the Veterans Benefits Improvement Act of 2008.

Maintenance of Benefits During Leave

A person who is reemployed upon returning from completion of uniformed service is entitled to the rights and benefits that he or she would have attained if he or she had remained continuously employed.

Health Benefits

An employer must allow individuals absent due to uniformed services to elect to continue health insurance coverage for themselves and their dependents. Health insurance coverage must be continued until the earlier of:

- 24 months beginning on the date when the absence began; or
- The day after the date the employee fails to apply for return to work following completion of their service.

IMPORTANT NOTICES

Individuals who are absent from work for less than 31 days may not be required to pay more for coverage than the employee share charged to employees that are actively at work. Employers may charge all other individuals no more than 102 percent of the full premium under the plan.

If benefits are cancelled because the employee did not elect to continue coverage or failed to pay premiums, the employer must restore to the employee benefits equivalent to those the employee would have had if leave had not been taken, including family or dependent coverage. The employee cannot be required to serve a new pre-existing condition waiting period, wait for open enrollment or pass a medical examination to obtain reinstatement of coverage.

Exchange Notice

Beginning in 2014, there is a new way to buy health insurance: The Health Insurance Marketplace. To assist you as you evaluate options for you and your family, this notice provides some basic information about the new Marketplace.

What is the Health Insurance Marketplace?

The Marketplace is designed to help you find health insurance that meets your needs and fits your budget. The Marketplace offers "one-stop shopping" to find and compare private health insurance options. You may also be eligible for a new kind of tax credit that lowers your monthly premium right away.

The 2020 open enrollment period for health insurance coverage through the Marketplace begins on Nov. 1, 2019 and will end on Dec. 15, 2019. Individuals must have enrolled or changed plans prior to Dec. 15, 2019, for coverage starting as early as Jan. 1, 2019. After Dec. 15, 2019, you can get coverage through the Marketplace for 2020 if you qualify for a special enrollment period or are applying for Medicaid or the Children's Health Insurance Program (CHIP).

Can I Save Money on my Health Insurance Premiums in the Marketplace?

You may qualify to save money and lower your monthly premium, but only if your employer does not offer coverage, or offers coverage that doesn't meet certain standards. The savings on your premium that you're eligible for depends on your household income.

Does Employer Health Coverage Affect Eligibility for Premium Savings through the Marketplace?

Yes. If you have an offer of health coverage from your employer that meets certain standards, you will not be eligible for a tax credit through the Marketplace and may wish to enroll in your employer's health plan. However, you may be eligible for a tax credit that lowers your monthly premium or a reduction in certain cost-sharing if your employer does not offer coverage to you at all or does not offer coverage that meets certain standards.

If the cost of a plan from your employer that would cover you (and not any other members of your family) is more than 9.78% of your household income for the year (9.86% for 2019), or if the coverage your employer provides does not meet the "minimum value" standard set by the Affordable Care Act, you may be eligible for a tax credit. (An employer-sponsored health plan meets the "minimum value standard" if the plan's share of the total allowed benefit costs covered by the plan is no less than 60 percent of such costs.)

Note: If you purchase a health plan through the Marketplace instead of accepting health coverage offered by your employer, then you may lose the employer contribution (if any) to the employer-offered coverage. Also, this employer contribution—as well as your employee contribution to employer-offered coverage—is often excluded from income for federal and state income tax purposes. Your payments for coverage through the Marketplace are made on an after-tax basis.

How Can I Get More Information?

For more information about your coverage offered by your employer, please check your summary plan description or contact or contact your HR department.

The Marketplace can help you evaluate your coverage options, including your eligibility for coverage through the Marketplace and its cost. Please visit [HealthCare.gov](https://www.healthcare.gov) for more information, as well as an online application for health insurance coverage and contact information for a Health Insurance Marketplace in your area.

IMPORTANT NOTICES

Patient Protection Notice and Selection

Corix Infrastructure allows the designation of a primary care provider. You have the right to designate any primary care provider who participates in our network and who is available to accept you or your family members. For information on how to select a primary care provider, and for a list of the participating primary care providers, contact the Humana Resources. For children, you may designate a pediatrician as the primary care provider.

The Mental Health Parity and Addiction Equity Act of 2008

The *Mental Health Parity and Addiction Equity Act of 2008* (MHPAEA) requires group health plans to apply the same treatment limits on mental health or substance-related disorder benefits as they do for medical and surgical benefits. The MHPAEA also extends this parity requirement to inpatient and outpatient services, whether in-network or out-of-network, and to emergency care services and prescription drugs. MHPAEA revised the definition of “mental health benefits” to include substance use disorder benefits. The MHPAEA also requires group health plans to apply the same beneficiary financial requirements to mental health or substance use disorder benefits as they apply for medical and surgical benefits, including limits on deductibles, co-payments and out-of-pocket expenses. Plan administrators are also required to make the criteria for “medical necessity” determinations with respect to mental health and substance use disorder benefits available to plan participants, beneficiaries or providers upon request.

Notice Regarding WSC Preventative Incentive Program

The Water Service Corporation (WSC) Preventative Incentive is a voluntary wellness program based solely on participation. The program is administered according to federal rules permitting employer-sponsored wellness programs that seek to improve employee health or prevent disease, including the Americans with Disabilities Act of 1990, the Genetic Information Nondiscrimination Act of 2008, and the Health Insurance Portability and Accountability Act, as applicable, among others. WSC does not require employees to participate in the wellness program. Furthermore, participation in the Preventative Incentive wellness program is not a condition for involvement in the health plan.

Upon your initial enrollment in the Water Service Corporation medical plan you have will 60 days to schedule a preventative visit with your medical provider and return the completed Routine Physical Verification Form to HR. While preventative visits are covered annually at no cost to you, Water Service Corporation will only require you to complete a physical with your physician at least once every 3 years. HR will track the expiration date of your form and give you 30 days advanced notice plus a 30 day grace period from the 3-year anniversary date of your last routine physical. Whether you complete a preventative physical once a year, once every other year or once every third year (maximum) is a decision between you and your physician. That decision will likely hinge on several factors including your age, gender, medical history and known health risks. Having a completed, up-to-date verification form on file with HR will ensure your participation in the Preventive Incentive healthcare rates. Without the completed form, your rate will default to the NON-Preventive rates.

Employees who choose to participate in the Preventative Incentive wellness program can receive an incentive which reduces medical premiums. Although you are not required to complete a routine physical as outlined above, only employees who do so will receive the Preventative Incentive premiums for healthcare.

If you or your covered spouse are unable to participate in the routine physical and blood draw, you may be entitled to a reasonable accommodation or an alternative standard. You may request a reasonable accommodation or an alternative standard by contacting WSC HR Generalist Jennifer Ortega at: jortega@uiwater.com.

WSC does not collect or require you to submit any personal health information to the Company in order receive the Preventative Incentive rates. The information from your health assessment and the results from your routine physical and blood draw are to be used between you and your doctor in order to provide you with information to help you understand your current health and potential risks.

IMPORTANT NOTICES

Protections from Disclosure of Medical Information

We are required by law to maintain the privacy and security of your personally identifiable health information. The wellness program does not collect, nor will it ever disclose any of your personal information either publicly or to WSC, except as necessary to respond to a request from you for a reasonable accommodation needed to participate in the wellness program, or as expressly permitted by law. Medical information that personally identifies you that is provided in connection with the wellness program will not be provided to your supervisors or managers and may never be used to make decisions regarding your employment.

Your health information will not be sold, exchanged, transferred, or otherwise disclosed except to the extent permitted by law to carry out specific activities related to the wellness program, and you will not be asked or required to waive the confidentiality of your health information as a condition of participating in the wellness program or receiving an incentive. Anyone who receives your information for purposes of providing you services as part of the wellness program will abide by the same confidentiality requirements. The only individual(s) who will receive your personally identifiable health information is (are) health coaches or others directly involved in the wellness program in order to provide you with services under the wellness program.

In addition, all medical information obtained through the wellness program will be maintained separate from your personnel records, information stored electronically will be encrypted, and no information you provide as part of the wellness program will be used in making any employment decision. Appropriate precautions will be taken to avoid any data breach, and in the event a data breach occurs involving information you provide in connection with the wellness program, we will notify you immediately.

You may not be discriminated against in employment because of the medical information you provide as part of participating in the wellness program, nor may you be subjected to retaliation if you choose not to participate. If you have questions or concerns regarding this notice, or about protections against discrimination and retaliation, please contact Nate Meyers, HR Director, at (847) 897-6443 or nkmeyers@uiwater.com.

CONTACT INFORMATION

Carrier	Group Number	Phone Number	Website/Email
BCBSIL Medical Plans			
PPO Plan	PG2979	800-828-3116	www.bcbsil.com
HDHP Plan	PG2984		
MetLife Dental			
Dental	5954815	800-942-0854	www.metlife.com
VSP Vision Plan			
Vision	12159678	800-877-7195	www.vsp.com
MetLife Life & Disability Plans			
Life & Disability STD/LTD	5954815	800-858-6506	www.metlife.com
Aflac Accident/Critical Illness Insurance			
Accident Critical Illness Hospital Indemnity	23188	800-992-3522	www.aflac.com
LifeLock Identity Theft			
Identity Theft	N/A	800-416-0599	www.lifelock.com
TeleDoc			
TelaDoc	N/A	800-835-2362	www.teladoc.com
Rx 'n Go			
Rx 'n Go	N/A	888-697-9646	www.rxngo.com
Health Advocate			
Health Advocate	N/A	866-695-8622	www.healthadvocate.com
PetFirst Pet Insurance			
Pet Insurance	9999206256	866-937-7387	www.petfirst.com/utilities
Discovery Benefits Flexible Spending Accounts (FSA)			
FSA	N/A	866-451-3399	www.discoverybenefits.com
JP Morgan 401(k)			
401(k) Plan	168231-01	855-576-7526	www.retirementlink.jpmorgan.com
MetLife Employee Assistance Program			
LifeWorks EAP	5954815	888-319-7819	www.metlifeeap.lifeworks.com
Flex Benefits Health Savings Account (HSA)			
HSA	N/A	866-451-3399	www.flexiblebenefit.com
Sound Consulting Services			
Sound Consulting Services	N/A	800-303-1856	www.scsretirement.com
Benefits Value Advisor (BVA)			
Benefits Advisor	N/A	800-828-3116	www.bcbsil.com

GLOSSARY OF TERMS

Copayment

- ❖ The amount you pay to the provider each time you receive a service

Deductible

- ❖ The amount of eligible expenses you must pay each year before the plan begins to pay benefits

Coinsurance

- ❖ The portion of eligible medical expenses for which you have financial responsibility in excess of the plan's deductible.

Maximum Out-of-Pocket

- ❖ This term defines the maximum limit you pay for eligible services, out of your own pocket in a given calendar year

Participating Provider

- ❖ A health care provider (including doctors, hospitals, labs and urgent care facilities) that is a member of the Blue Cross Blue Shield network

Non-Participating Provider

- ❖ A health care provider that is not a member of the Blue Cross Blue Shield network.

Summary Plan Description

- ❖ A detailed document that describes your medical, dental, vision, critical illness, life, accidental death and dismemberment, and disability benefits for covered participants.



CORIX[®]

Group of Companies

CASE NO. 2020-00160
WATER SERVICE CORPORATION OF KENTUCKY
RESPONSES TO ATTORNEY GENERAL'S SECOND REQUEST FOR INFORMATION

4. Refer to Water Service Kentucky's response to the Attorney General's First Request, Item 1(b), wherein Water Service Kentucky provided an organizational chart of "RVP."
 - a. Explain what entity "RVP" stands for with regard to the organizational chart provided.
 - b. Water Service Kentucky further states that the allocation factor for the RVP employees is 13.67%. Explain in detail how the allocation factor of 13.67% is utilized, and provide an example of the same.
 - c. Provide a chart demonstrating all allocation percentages made by RVP, and to what entity, for a total of 100%.
 - d. Provide the salary of each of the RVP employees, as well as the salary increases provided from 2015 – present day.
 - e. Provide a detailed explanation of the insurance benefits provided to RVP employees including but not limited to health, dental, vision, life insurance, etc. Ensure to include all premiums paid by the RVP employees, premiums paid by RVP on the employees' behalf, as well as all copays, deductibles, and maximum out of pocket amounts.

RESPONSE:

- a. RVP is the President cost center. Costs booked to this level are allocated by ERC to all operating companies in the President's business unit.
- b. The 13.67% is utilized to allocate costs to operating companies, costs that are booked to the President cost center are allocated using ERCs. 13.67% represents

CASE NO. 2020-00160
WATER SERVICE CORPORATION OF KENTUCKY
RESPONSES TO ATTORNEY GENERAL'S SECOND REQUEST FOR INFORMATION

WSCK's ERC percentage divided by the total ERCs included in the President cost center. For example, if a \$100 cost for fuel at the President cost center were booked, \$13.67 would be allocated to WSCK. Please see the attached file entitled "Response to AG DR 2.03 e. - ERC TYE 2020.03.31" which shows the calculation of allocation percentages for the WSC, President, Region, and State cost centers.

- c. Please refer to the attachment provided in response to AG data request 2.03 part d. above, tab "ERC" excel columns D and K.
- d. Please see the attached CONFIDENTIAL file entitled "CONFIDENTIAL Response to AG DR 2.04 d. - WSC, Reg, President Cost Center Salary Increase 2015-2020".
- e. Please refer to the benefits guide provided in response to part h. of AG data request 2.02 above.

WITNESS:

Robert Guttormsen

CASE NO. 2020-00160
WATER SERVICE CORPORATION OF KENTUCKY
RESPONSES TO ATTORNEY GENERAL'S SECOND REQUEST FOR INFORMATION

5. Refer to Water Service Kentucky's response to the Attorney General's First Request, Item 1(c), wherein Water Service was asked to provide an organizational chart of Corix Corporate Services, but none was provided.
- a. Explain why Water Service Kentucky would not have an organizational chart of Corix Corporate Services.
 - b. Provide the salary of each of the Corix Corporate Services' employees, as well as the salary increases provided from 2015 – present day.
 - c. Provide a detailed explanation of the insurance benefits provided to Corix Corporate Services' employees including but not limited to health, dental, vision, life insurance, etc. Ensure to include all premiums paid by the Corix Corporate Services' employees, premiums paid by Corix Corporate Services on the employees' behalf, as well as all copays, deductibles, and maximum out of pocket amounts.

RESPONSE:

- a. The Company has recently migrated human resource systems and organizational charts are currently under development.
- b. Please see the attached CONFIDENTIAL file entitled "CONFIDENTIAL Response to AG DR 2.05 b. – Corix Salary Increase 2015-2020".
- c. Please refer to the attached benefits guide entitled "Response to AG DR 2.05 c. - Class A and D CoreFlex Plan Guide 2020".

WITNESS:

COREFLEX

CORIX'S FLEX BENEFITS PROGRAM GUIDE 2020

The program guide contains important information about **CoreFlex**, your flex benefits program.

This document includes information on:

- How the Plan Works
- Available Benefit Choices
- Detailed Coverage Information
- How to Enrol Online
- How to Submit a Claim

Be sure to read this information carefully before making your selections on Sun Life Financial's Plan Member Services enrolment website.



TABLE OF CONTENTS

INTRODUCING FLEX BENEFITS	3
Welcome to CoreFlex	3
How CoreFlex Works	3
Who is Eligible?.....	4
Annual Open Enrolment.....	5
DEFAULT COVERAGE	5
FLEX BENEFIT CREDITS	7
Excess Flex Credits	8
CORE BENEFITS	9
Long Term Disability (LTD)*	9
FLEXIBLE BENEFIT OPTIONS	11
Extended Health Care	11
Dental	14
Employee Life Insurance	17
Accidental Death & Dismemberment (AD&D).....	19
VOLUNTARY FLEXIBLE BENEFIT OPTIONS.....	21
Optional Life Insurance.....	21
Optional Accidental Death & Dismemberment (AD&D)	23
Optional Critical Illness (CI).....	25
CHOICES FOR UNUSED FLEX CREDITS	29
Health Spending Account (HSA)	29
Balance Carry Forward.....	30
Registered Retirement Savings Plan (RRSP).....	31
PRIOR AUTHORIZATION	32
PREFERRED PHARMACY NETWORK (PPN).....	32
HOW TO ENROL ONLINE.....	34
HOW TO SUBMIT A CLAIM.....	40

* (All eligible classes)

INTRODUCING FLEX BENEFITS

WELCOME TO COREFLEX

Corix is excited to offer a flex benefits program, customized for our employees. The plan is comprehensive and competitive in our industry. The cornerstone of the program is to ensure that you and your family are adequately protected in the event of an illness, accident or unforeseen incident, while also providing you the ability to customize a program that aligns best with your specific needs.

Corix has partnered with Sun Life Financial to offer our flex benefits program. Under CoreFlex, there is a range of benefit choices available to you to custom-build your own benefits program. Our flex benefits program includes a choice of four health and four dental packages. We also offer several life and accident insurance program options, and disability benefits are a core part of our coverage.

In this enrolment guide you will find descriptions of the benefits available to you as a Corix employee, important enrolment details, and where to go for more information.

HOW COREFLEX WORKS

On an annual basis, you will have the opportunity to customize your benefits program to align with the changing needs of you and your family. Any coverage you choose will be effective on the first day of the new plan year (January 1).

Our benefits program is a **Core Plus Options** type of flex benefits program and includes the following benefits:

Core Benefit

- Long Term Disability (all eligible classes)

Benefits You Can Customize

- Health
- Dental
- Life Insurance
- Accidental Death and Dismemberment (AD&D)
- Voluntary Benefits: Optional Life, Optional AD&D, Critical Illness available for you, your spouse and your child(ren)
- Health Spending Account
- RRSP Contributions

WHO IS ELIGIBLE?

To be eligible to participate in our flex benefits plan, you must be a member of an eligible employee class and meet the following conditions:

- You are a permanent employee (Class A) or a contract employee (Class D)
- You are actively working for Corix at least 20 hours a week
- You are a resident of Canada
- You have completed the waiting period. The waiting period for your group plan is 3 months of continuous employment.

Your Eligible Dependents

Your dependents are eligible for coverage on the date you become eligible or the date that they first become your dependent, whichever is later.

Eligible Dependents are:

- Your spouse, legal or common-law partner.
- Your unmarried children under age 21, or under age 25 if they are full-time students.

Your dependent(s) must be your spouse and/or your child(ren) and a resident of Canada.

Employee Participation

Employees that meet the definition of eligibility under the flex benefits plan are required to participate in the program.

Participation is mandatory for the following benefits:

- Health
- Dental
- AD&D
- Life Insurance
- Long Term Disability (LTD) (all eligible classes)

All mandatory benefits can be purchased using flex credits, with the exception of Long Term Disability (LTD), which is an employee paid benefit.

* *For all other benefits (i.e. Optional Life, Optional Critical Illness) you have the choice to enroll in these voluntary benefits. The premiums will be automatically deducted from your paycheques in equal installments via payroll deductions.*

ANNUAL OPEN ENROLMENT

Open enrolment is the time for you and your family to review your benefits and decide what benefits you would like to select for the upcoming year. This is the time of year to make changes to your benefits.

During the open enrolment period, you can log into your Sun Life Financial online plan member account and enroll for your Corix flex benefits program. If you have not already registered, visit Plan Member Services at www.mysunlife.ca and select Register Now.

During the enrolment period you can enter the site as many times as you like to explore, redo or make changes to your enrolment options. **Please note that your enrolment is not complete until you click the “Submit” button and click “OK” to complete your enrolment** after the summary of your benefit selections section. You may **Submit** as many times as you like up until the last enrollment date and the selections on the last “submit” will determine your final selections.

DEFAULT COVERAGE

If you do not enroll in the flex benefits plan during the open enrolment period, you will automatically be provided with the following coverage:

BENEFIT	NEW CORIX EMPLOYEES (ELIGIBLE FOR BENEFITS AS OF JANUARY 1, 2020)	ANNUAL RE-ENROLMENT
Long Term Disability*	Core Plan	Core Plan
Health	Security	Same as previous year
Dental	Security	Same as previous year
Employee Life Insurance	Default 1 x annual earnings	Same as previous year
Basic AD&D	Default 1 x annual earnings	Same as previous year
Optional Employee/Spouse/Child Life Insurance	No Coverage Voluntary Benefit	Same as previous year
Optional Employee/Spouse/Child AD&D Insurance	No Coverage Voluntary Benefit	Same as previous year
Optional Employee/Spouse/Child Critical Illness Insurance	No Coverage Voluntary Benefit	Same as previous year
Optional Critical Illness	No Coverage Voluntary Benefit	Same as previous year
Excess Flex Credits	Health Spending Account	Same as previous year

*(all eligible classes)

LIFE EVENT CHANGE

Once your enrolment choices take effect (January 1 of each calendar year), they stay in effect for the remainder of the plan year, unless you experience a qualified life event.

When you experience a life event, you are eligible to make changes to your flex benefit plan choices. You must notify your Compensation and Benefits Coordinator and they will assist you with reopening your benefit enrolment site.

Life change events may include:

- Adding a spouse (legal marriage or common-law)
- Birth or adoption of any child
- Divorce/separation/disqualification of common-law
- Loss of a spouse
- Loss of spouse's benefit coverage
- Loss of a child

You will have up to 31 days following the date of the life event change to sign-on to Sun Life's Plan Member Services website and update your dependent information and make any desired changes to your benefits.

Any increases in coverage which do not require medical evidence of insurability will be effective on the date of your life event change. If medical evidence of insurability is required, your insurance will be effective on the later of these two dates:

- the date of your life event change, or
- the date your medical evidence of insurability is approved by Sun Life.

FLEX BENEFIT CREDITS

A main feature of the flex benefits plan is the use of flex credits. Each year Corix will provide you with a specific dollar value in the form of flex credits that may be used to help pay for a range of benefits offered under the program.

Flex credits are allocated based on your family status, and coverage is determined by the number of dependents you have. If you have no dependents, you will be enrolled as a single. If you have one dependent you will be enrolled as a couple, and if you have more than one dependent you will be enrolled as a family. If the number of your dependents has changed recently, you will have the ability to make changes to your dependent information during the enrolment period.

For the 2020 calendar year, Corix is providing you with the following annual flex credit amounts:

STATUS	ANNUAL FLEX CREDITS
Single	\$2,060
Couple	\$3,470
Family	\$5,200

Flex credits can be used to purchase the following benefits:

- Health
- Dental
- Life Insurance
- AD&D
- Optional AD&D

The following are employee paid benefits, which are paid through payroll deductions. Flex credits cannot be used to purchase these benefits.

- Long Term Disability (This is to ensure that the disability program maintains its non-taxable benefit status, which is the most tax effective arrangement for this benefit.)
- Optional Critical Illness
- Optional Life Insurance

EXCESS FLEX CREDITS

If the benefits package you select costs less than your annual flex credits, you have the option to assign those credits toward either of the following options:

- **Direct your excess credits into a Health Spending Account (HSA) with Sun Life (Default Option)**

At the start of each calendar year, you will have access to the annual dollar amount that you allocated towards your HSA. If you do not use all of your HSA credits in the year that you allocate them to the account, you have until the end of the following year to use them. If your HSA credits are not used by the end of the second year, the credits will be forfeited.

- **Apply your excess flex credits into your Corix RRSP account plan with Great-West Life (if eligible)**

Corix will deposit the amount of excess flex credits that you allocated towards your RRSP into your Corix Group RRSP account with Great-West Life Policy #63987. The amount will be pro-rated on a monthly basis.

You can allocate excess credits to one option or to both options. If you do not make a selection, your flex credits will automatically be allocated into a Health Spending Account, which is the default option.

If you choose a package that costs more than your flex credits, the extra cost will be deducted in equal installments from your pay through payroll deductions.

CORE BENEFITS

LONG TERM DISABILITY (LTD)*

Long Term Disability (LTD) coverage provides a tax-free monthly income benefit to you if you are unable to work due to a disability. Please refer to the benefit booklet for a detailed description of this benefit.

Information regarding your LTD Coverage

- Long Term Disability is a core benefit under the flex plan. This means that if you are a member of an eligible employee class, you will be automatically enrolled in the below LTD program.
- LTD is an employee-paid benefit. By having you pay for the LTD premiums, it maintains the non-taxable status of the disability benefit payment should you ever be required to claim on this benefit. Your premiums will be collected through payroll deductions per pay period.
- Medical evidence of insurability is not required for this benefit.

LONG TERM DISABILITY PLAN

Benefit Amount	66.67% of the 1st \$6,000 of your monthly salary, plus 50% of the balance to a maximum monthly benefit of \$8,500 per month.
Definition of Disability	<p>You are considered disabled if you are continuously unable to do the essential duties of your own occupation due to illness or injury during the elimination period (119 days from date of disability) and the following 24 months.</p> <p>Afterwards, you will be considered totally disabled if you are continuously unable to do any occupation for which you are or may become reasonably qualified by education, training or experience due to an illness/injury.</p>
Coverage Terminates	When you retire or reach age 65, whichever is earlier.

The Long Term Disability benefit is based on your monthly salary. Your benefit amount and premiums are subject to change to correspond with any changes made to your earned income throughout the year. Please see the Salary Changes section for more information.

* (applicable to all eligible classes)

LONG TERM DISABILITY PREMIUM RATE

The following Long Term Disability rate is expressed per \$100 of benefit. This rate is effective from January 1, 2020 to December 31, 2020.

LTD Premium Rate \$2.473

Calculating your LTD Premiums:

Estimated Annual Premium = (Monthly Volume of Insurance x Rate ÷ 100) x 12

LTD Benefit = 66.67% of the 1st \$6,000 of your monthly salary, plus 50% of the balance to a maximum of \$8,500 per month

Example: Your annual income is \$75,000 (or \$6,250/Month)

Benefit Amount = $(0.6667 \times \$6,000) + (0.5 \times \$250) = \$4,125$

Your LTD benefit is \$4,125 per month (non-taxable)

Annual Premiums = $(\$4,125 \times [\$2.473] \div \$100) \times 12 = \$1,224$ per year

Note: The cost of this benefit will automatically be calculated for you on Sun Life's plan member enrolment site and you are not required to calculate your own benefit costs. The annual premium amount noted above is rounded to the nearest dollar. Actual premiums are rounded to the nearest penny. This calculation is for illustration purposes only.

FLEXIBLE BENEFIT OPTIONS

EXTENDED HEALTH CARE

Flex Credit Eligible

Extended Health Care coverage provides extended healthcare benefits for you and all of your eligible dependents. The program covers eligible services and supplies that are medically necessary for the treatment of an illness such as prescription drugs, paramedical services, and vision care.

Before you choose your Health plan, consider the following:

- Your past and expected health expenses. You can view your historical claims activity on Sun Life's plan member website. Under 'my claims' select 'medical and dental claim summary'.
- Health benefits that are important to you and your family
- Coverage under your spouse's plan (if applicable)
- Maximizing the use of the Health Spending Account (HSA)
- Your RRSP contribution room (if applicable)
- The 2-year lock-in period for the Elite Health option

EXTENDED HEALTH CARE PLAN THEMES

The extended health care plans are categorized into the following four themes:

1. Spousal Integration

This program is designed to integrate with your spousal plan (if applicable) so that you can maximize coverage between the two plans and minimize duplicate cost. This option offers low reimbursement percentages and low maximums and is designed as a top up program to your spousal plan. You are still eligible to select this plan option even if you are not currently enrolled as a dependent in a spousal plan.

2. Cost Management

This program is a low cost option designed with basic coverage and excludes higher priced benefit features such as vision care. Selecting this plan may result in excess flex credits for a Health Spending Account that can be used to pay for eligible medical expenses that are important to you, such as glasses.

3. Security (Default)

This program offers comprehensive coverage and good benefit maximums. The benefits offered under this program are commonly provided in employee benefit programs. If you do not make a selection, you will automatically be enrolled in this health plan, which is the default health option.

4. Elite

This program offers the highest reimbursement percentages and program maximums. There is a 2-year lock-in period for this plan option.

EXTENDED HEALTH CARE PLAN OPTIONS

You must select one of the following four Extended Health Care plan options for you and your eligible dependents. The table below outlines the plan design features that differ by plan option; the level of coverage increases as you move left to right.

	OPTION 1: SPOUSAL INTEGRATION	OPTION 2: COST MANAGEMENT	OPTION 3: SECURITY (DEFAULT)	OPTION 4: ELITE*
Coinsurance				
Prescription Drugs	20%	80%	90%	100%
Medical Services & Supplies	20%	80%	90%	100%
Paramedical Services	20%	80%	90%	100%
Hospital	100%	100%	100%	100%
Vision	100%	n/a	100%	100%
Out of Country	100%	100%	100%	100%
Drug Card	Yes	Yes	Yes	Yes
Drug Coverage	Generic limit	Generic limit	Generic limit	Brand Name
Paramedical Service Maximums	\$500 combined max/yr for all paramedical practitioners	\$750 combined max/yr for all paramedical practitioners	\$1,000 combined max/yr for all paramedical practitioners	\$1,500 combined max/yr for all paramedical practitioners
Vision	\$100/2yrs	n/a	\$250/2yrs	\$400/2yrs

- The Elite program has a 2-year lock-in period. This means that if you enroll in the Elite Extended Health Care plan for 2020, you will be locked into this benefit option for the 2020 enrolment year and 2021 calendar year.

Please refer to Sun Life Financial's benefit booklet for a detailed description of this benefit.

EXTENDED HEALTH CARE PLAN COSTS

The following annual extended health care premium costs are effective from January 1, 2020 to December 31, 2020.

	OPTION 1: SPOUSAL INTEGRATION	OPTION 2: COST MANAGEMENT	OPTION 3: SECURITY (DEFAULT)	OPTION 4: ELITE*
Single	\$169	\$473	\$1,003	\$3,298
Couple	\$322	\$917	\$1,846	\$6,109
Family	\$468	\$1,320	\$2,836	\$9,233

*Employees who are locked into the Elite Health plan are subject to any applicable rate changes effective January 1 annually.

DENTAL

Flex Credit Eligible

The Dental program covers you and your eligible dependents for dental services and procedures that are provided by a licensed dentist, denturist, dental hygienist or anesthetist.

Before you choose your Dental plan, consider the following:

- Your past and expected dental expenses (i.e. Orthodontics). You can view your historical claims activity on Sun Life's plan member website. Under 'my claims' select 'medical and dental claim summary'.
 - *Are you and/or your dependent currently undergoing orthodontic treatment? Consider the lifetime maximum amount, as well as the age of the individual receiving treatment.*
- Dental benefits that are important to you and your family
- Dental coverage under your spouse's plan (if applicable)
- The 2-year lock-in period for the Elite Dental option
- Maximizing the use of the Health Spending Account (HSA)
- Your RRSP contribution room (if applicable)

DESCRIPTION OF DENTAL COVERAGE:

Basic Services:

Includes polishing, fillings, x-rays, preventive scaling, oral examinations and root canal therapy.

Major Services:

Includes major restorations such as inlays, crowns and onlays, bridgework, dentures and dental implants.

Orthodontic Services:

Includes services such as interceptive or preventive orthodontic services (excluding space maintainers). Also includes comprehensive orthodontic treatment such as diagnostic procedures, formal treatment and retention.

DENTAL PLAN THEMES

Similar to the health plan options, the dental plans are also categorized into the following four themes:

1. **Spousal Integration**

This program is designed to integrate with your spousal plan (if applicable). This option offers low basic dental reimbursement percentages, low maximums, and is designed as a top up program to your spousal plan. You are still eligible to select this plan option even if you are not currently enrolled as a dependent in a spousal plan.

2. **Cost Management**

This program is designed with 100% basic dental coverage only up to the plan maximums.

3. **Security (Default)**

This program offers comprehensive coverage and good benefit maximums for all three dental service types: Basic, Major and Orthodontics. If you do not make a dental plan selection, you will automatically be enrolled in this option.

4. **Elite**

This is a top-tier benefits program offering high reimbursement percentages and program maximums. If you require high orthodontic coverage or adult orthodontics, this is the most suitable plan. There is a 2-year lock-in period for this plan option.

DENTAL PLAN OPTIONS

You must select one of the following four Dental plan options for you and your eligible dependents. The table below outlines the plan design features that differ by plan option.

	OPTION 1: SPOUSAL INTEGRATION	OPTION 2: COST MANAGEMENT	OPTION 3: SECURITY (DEFAULT)	OPTION 4: ELITE*
Coinsurance				
Preventive	20%	100%	80%	100%
Basic	20%	100%	80%	100%
Major	50%	n/a	50%	70%
Orthodontics	50% (child U19 only)	n/a	50% (child U19 only)	50% (Child & Adult)
Benefit year maximum	\$1,500/yr for Preventive, Basic and Major combined	\$1,500/yr for Preventive and Basic Combined	\$2,000/yr for Preventive, Basic and Major combined	\$2,500/yr for Preventive and Basic combined \$2,500/yr for Major
Orthodontics maximum**	\$1,000 per lifetime	n/a	\$1,500 per lifetime	\$3,000 per lifetime

* The Elite program has a 2 year lock-in period. This means that if you enroll in the Elite Dental plan for 2020, you will be locked into this benefit option for this the 2019 enrolment year and the 2021 calendar year.

** The orthodontic maximum is a lifetime maximum. If you have previously claimed orthodontics under the Sun Life plan, these claims will count towards your lifetime maximum. This maximum will not reset January 1 each year.

Please refer to Sun Life Financial's benefit booklet for a detailed description of this benefit.

DENTAL PREMIUMS

The following annual dental premium costs are effective from January 1, 2020 to December 31, 2020.

	OPTION 1: SPOUSAL INTEGRATION	OPTION 2: COST MANAGEMENT	OPTION 3: SECURITY (DEFAULT)	OPTION 4: ELITE*
Single	\$111	\$547	\$450	\$1,026
Couple	\$239	\$1,079	\$900	\$2,349
Family	\$384	\$1,901	\$1,588	\$3,184

*Employees that are locked in to the Elite Dental plan are subject to any applicable rate changes effective January 1 annually.

EMPLOYEE LIFE INSURANCE

Flex Credit Eligible

Life Insurance coverage provides a lump-sum tax free benefit for your beneficiary if you pass away while covered under the program.

Before you choose your Life Insurance, consider the following:

- Your existing life insurance coverage (i.e. group and individual plans)
- Your current insurance needs for you and your family (i.e. mortgage, other debt)

EMPLOYEE LIFE PLAN OPTIONS

You must select one of the following three Life Insurance options to ensure you have a minimum level of insurance protection. This means that you must enroll for at least one times your annual salary. You have the option to upgrade your Life Insurance coverage to two or three times your annual salary. The table below outlines the plan options available:

OPTION 1: DEFAULT	OPTION 2: SECURITY	OPTION 3: ELITE
1 x annual salary up to a maximum of \$350,000	2 x annual salary up to a maximum of \$500,000	3 x annual salary up to a maximum of \$1,000,000
Benefit reduces by 50% at age 65 and further reduces by 50% at age 70 to an overall maximum of \$50,000 for all three options		

The Life benefit is based on your annual salary. Your benefit amount and premiums are subject to change to correspond with any changes made to your earned income throughout the year. Please see the Salary Changes section for more information.

Please refer to Sun Life Financial’s benefit booklet for a detailed description of this benefit.

IMPORTANT NOTE:

The maximum amount of Life Insurance that you can obtain without submitting medical evidence of insurability to Sun Life is \$680,000 (applicable to the Elite option only). The medical evidence of insurability form is available from the coverage summary section at the end of the online enrolment process. You will be notified of this requirement during the enrolment process if it applies to you.

TAXABLE BENEFIT STATUS

If flex credits are used to pay for your Life Insurance premiums, the amount of premium paid on your behalf is a taxable benefit to you. This means that you will be deducted tax for the applicable premium amount.

Your flex credits will automatically be allocated in the most tax effective manner and will first be applied toward benefits that do not generate taxable income.

EMPLOYEE LIFE PREMIUM RATE

The following Life Insurance rate is expressed per \$1,000 of benefit. This rate is effective from January 1, 2020 to December 31, 2020.

Employee Life Insurance Rate \$0.258

Calculating your Life Insurance Premiums:

Estimated Annual Premium = (Volume of Insurance x Rate ÷ 1,000) x 12

Example: Your annual income is \$75,000 and you selected the default Life Insurance coverage option of 1 times your annual earnings.

Annual Premiums = (\$75,000 x [\$0.258] ÷ \$1,000) x 12 = \$232 per year

Note: The cost of this benefit will automatically be calculated for you on Sun Life's plan member enrolment site and you are not required to calculate your own benefit costs. The annual premium amount noted above is rounded to the nearest dollar. Actual premiums are rounded to the nearest penny. This calculation is for illustration purposes only.

ACCIDENTAL DEATH & DISMEMBERMENT (AD&D)

Flex Credit Eligible

Accidental Death and Dismemberment (AD&D) coverage provides a lump sum tax-free benefit if you pass away or suffer any of the insured losses as a result of an accident while covered under the plan. Any death benefit paid under this coverage is in addition to your Life Insurance benefit.

Before you choose your AD&D coverage, consider the following:

- Your existing life insurance and accidental coverage (i.e. group and individual plans)
- Your current insurance needs for you and your family
- Medical evidence of insurability is not required for this benefit

AD&D PLAN OPTIONS

You must select one of the following three AD&D options to ensure you have a minimum level of insurance protection. This means that you must enroll for at least one times your annual salary. You have the option to upgrade your AD&D coverage to two or three times your annual salary. The table below outlines the plan options available:

OPTION 1: DEFAULT	OPTION 2: SECURITY	OPTION 3: ELITE
1 x annual salary up to a maximum of \$350,000	2 x annual salary up to a maximum of \$500,000	3 x annual salary up to a maximum of \$1,000,000
Benefit reduces by 50% at age 65 and further reduces by 50% at age 70 to an overall maximum of \$50,000 for all three options		

The Accidental Death and Dismemberment (AD&D) benefit is based on your annual salary. Your benefit amount and premiums are subject to change to correspond with any changes made to your earned income throughout the year. Please see the Salary Changes section for more information.

Please refer to Sun Life Financial's benefit booklet for a detailed description of this benefit.

TAXABLE BENEFIT STATUS

If flex credits are used to pay for your AD&D premiums, the amount of premium paid on your behalf is a taxable benefit to you. This means that you will be deducted tax for the applicable amount.

Your flex credits will automatically be allocated in the most tax effective manner and will first be applied toward benefits that do not generate taxable income.

EMPLOYEE AD&D PREMIUM RATE

The following AD&D rate is expressed per \$1,000 of benefit. This rate is effective from January 1, 2020 to December 31, 2020.

Employee AD&D Rate \$0.043

Calculating your AD&D Premiums:

Estimated Annual Premium = (Volume of Insurance x Rate ÷ 1,000) x 12

Example: Your annual income is \$75,000 and you selected the default AD&D Insurance coverage option of 1 times your annual earnings.

Annual Premiums = (\$75,000 x [\$0.043] ÷ \$1,000) x 12 = \$39 per year

Note: The cost of this benefit will automatically be calculated for you on Sun Life's plan member enrolment site and you are not required to calculate your own benefit costs. The annual premium amount noted above is rounded to the nearest dollar. Actual premiums are rounded to the nearest penny. This calculation is for illustration purposes only.

VOLUNTARY FLEXIBLE BENEFIT OPTIONS

OPTIONAL LIFE INSURANCE

Optional Life Insurance coverage provides a lump sum tax-free benefit to the designated beneficiary if the insured person passes away while covered under the program. Optional Life insurance is available for yourself, your spouse and your child(ren).

Before you choose to purchase Optional Life Insurance, consider the following:

- How much life insurance you/your spouse/your child(ren) need, keeping in mind your personal coverage, any other group coverage and any financial commitments.
- The amount of Basic Life Insurance you selected under this plan. If you are considering purchasing Optional Life Insurance, it is in your best interest to maximize your coverage first under your Basic Life benefit for two reasons. The first reason is that you are eligible for up to 3 times your annual salary to a maximum of \$680,000 without submitting medical evidence of insurability to Sun Life. In addition, the cost for Optional Life Insurance may be higher than Basic Life Insurance depending on your age, gender, and smoking status.
- Medical evidence of insurability is required for this benefit (excludes Child Optional Life).
- This is an employee paid benefit, meaning that if you elect to purchase this benefit the premiums for your Optional Life will be paid through payroll deductions.

OPTIONAL LIFE INSURANCE OPTIONS

Optional Life insurance is a **voluntary benefit**, meaning that you do not need to purchase this coverage. The table below outlines the plan options available:

EMPLOYEE	SPOUSE	CHILD
Units of \$10,000 to a maximum of \$500,000 (1 unit = \$10,000 coverage)	Units of \$10,000 to a maximum of \$200,000 (1 unit = \$10,000 coverage)	Units of \$5,000 to a maximum of \$20,000 (1 unit = \$5,000 coverage)

Please refer to Sun Life Financial's benefit booklet for a detailed description of this benefit.

OPTIONAL LIFE PREMIUM RATES

The cost of your Optional Life Insurance coverage is based on your age, gender and smoker/non-smoker status. If you move up an age band throughout the calendar year, your premiums will be adjusted accordingly. The associated payroll deductions will be indicated in the online enrolment tool.

The following Optional Life rates are expressed per \$10,000 of benefit. These rates are effective from January 1, 2020 to December 31, 2020.

Employee and Spouse

AGE BAND	MALE		FEMALE	
	SMOKER	NON SMOKER	SMOKER	NON SMOKER
Under 25	1.23	0.62	0.51	0.26
25 - 29	1.19	0.60	0.62	0.31
30 - 34	1.19	0.60	0.88	0.44
35 - 39	1.38	0.69	1.30	0.65
40 - 44	2.16	1.09	1.96	0.99
45 - 49	3.49	1.76	3.11	1.57
50 - 54	5.94	2.99	4.91	2.47
55 - 59	9.71	4.89	7.45	3.76
60 - 64	13.31	6.71	9.51	4.79

Smoker/Non-Smoker Status: A non-smoker is defined as a person who has not used any tobacco products during the 12-month period immediately preceding the date of application of insurance.

Calculating your Optional Life Premiums:

Estimated Annual Premiums = (Volume of Insurance x Rate ÷ 10,000) x 12

Example: You are a female, non-smoker, age 45 and have elected for \$180,000 of Optional Life coverage.

Annual Premiums = (\$180,000 x [\$1.57] ÷ \$10,000) x 12 = \$339 per year

Note: The cost of this benefit will automatically be calculated for you on Sun Life's plan member enrolment site and you are not required to calculate your own benefit costs. The annual premium amount noted above is rounded to the nearest dollar. Actual premiums are rounded to the nearest penny. This calculation is for illustration purposes only.

Child(ren)

A child is defined as your children and your spouse's children (other than foster children). They are eligible dependents if they are not married or in any other formal union recognized by law, and are under age 21. A child whom is a full-time student attending an educational institution recognized under the Income Tax Act is also considered an eligible dependent under the age of 25 as long as the child is entirely dependent on you for financial support.

The following Child Optional Life rate is expressed per \$5,000 of benefit. This rate is effective from January 1, 2020 to December 31, 2020.

Child Rate \$0.205

Calculating your Child Optional Life Premiums:

Estimated Annual Premium = (Volume of Insurance x Rate ÷ 1,000) x 12

Example: You have elected to insure your child for \$15,000 in Optional Life coverage.

Annual Premiums = (\$15,000 x [\$0.205] ÷ \$1,000) x 12 = \$37 per year

Note: The cost of this benefit will automatically be calculated for you on Sun Life's plan member enrolment site and you are not required to calculate your own benefit costs. The annual premium amount noted above is rounded to the nearest dollar. Actual premiums are rounded to the nearest penny. This calculation is for illustration purposes only.

OPTIONAL ACCIDENTAL DEATH & DISMEMBERMENT (AD&D)

Flex Credit Eligible

Optional Accidental Death & Dismemberment (AD&D) Insurance coverage provides a lump sum tax-free benefit if the insured person passes away or suffers any of the insured losses as a result of an accident while covered under the program. Any death benefit paid under this coverage is in addition to Basic AD&D and Life Insurance coverage. Optional AD&D insurance is available for yourself, your spouse and your child(ren).

Before you choose to purchase Optional AD&D, consider the following:

- How much additional insurance you/your spouse/your child(ren) need
- The amount of basic AD&D insurance you selected under this plan. If you are considering purchasing Optional AD&D for yourself, it is in your best interest to maximize your coverage first under your basic AD&D benefit. You are eligible for up to 3 times your annual salary to a maximum of \$1,000,000 under the basis AD&D plan and the premium rate is less expensive than the Optional AD&D premium rate.
- Medical evidence of insurability is not required for this benefit

OPTIONAL AD&D OPTIONS

Optional AD&D insurance is a voluntary benefit, meaning that you do not need to purchase this coverage. The table below outlines the plan options available:

EMPLOYEE	SPOUSE	CHILD
Units of \$10,000 to a maximum of \$500,000 (1 unit = \$10,000 coverage)	Units of \$10,000 to a maximum of \$200,000 (1 unit = \$10,000 coverage)	Units of \$5,000 to a maximum of \$20,000 (1 unit = \$5,000 coverage)

Please refer to Sun Life Financial’s benefit booklet for a detailed description of this benefit.

TAXABLE BENEFIT STATUS

If flex credits are used to pay for your Optional AD&D premiums, the amount of premium paid on your behalf is a taxable benefit to you. This means that you will be deducted tax for the applicable amount.

Your flex credits will automatically be allocated in the most tax effective manner and will first be applied toward benefits that do not generate taxable income.

OPTIONAL AD&D PREMIUM RATES

The following Optional AD&D rates are expressed per \$10,000 of benefit. These rates are effective from January 1, 2020 to December 31, 2020.

Employee Optional AD&D Rate	\$0.50
Spouse Optional AD&D Rate	\$0.50
Child Optional AD&D Rate	\$0.50

Calculating your Optional AD&D Premiums:

Estimated Annual Premium = (Volume of Insurance x Rate ÷ 1,000) x 12

Example: You have elected for \$120,000 of Optional AD&D coverage for your spouse.

Annual Premiums = (\$120,000 x [\$0.50] ÷ \$10,000) x 12 = \$72 per year

Note: The cost of this benefit will automatically be calculated for you on Sun Life's plan member enrolment site and you are not required to calculate your own benefit costs. The annual premium amount noted above is rounded to the nearest dollar. Actual premiums are rounded to the nearest penny. This calculation is for illustration purposes only.

OPTIONAL CRITICAL ILLNESS (CI)

Critical Illness (CI) coverage provides a onetime lump sum tax-free benefit payment to the insured person if they are diagnosed with a covered condition such as cancer, heart attack, stroke, MS, Parkinson's disease etc. The benefits are paid shortly after diagnosis, and payment is dependent upon clear medical definitions.

Critical Illness insurance is available for yourself, your spouse and your child(ren).

There are a total of 25 covered conditions under the Employee and Spousal plan. An additional 6 conditions are included in the Child CI program.

Below is a list of some of the covered illnesses:

- Aortic Surgery
- Bacterial Meningitis
- Blindness
- Cancer
- Coma
- Deafness
- Dementia
- Heart Attack
- Kidney Failure
- Loss of limbs
- Major organ transplant
- Multiple Sclerosis
- Occupational HIV
- Parkinson's disease
- Severe burns
- Stroke

Please refer to Sun Life Financial's benefit booklet for a detailed description of this benefit.

Before you choose to purchase Critical Illness, consider the following:

- Medical evidence of insurability is required for this benefit (excludes Child CI)
- This is an employee paid benefit, meaning that if you elect to purchase this benefit the premiums for your Critical Illness coverage will be paid through payroll deductions.

OPTIONAL CRITICAL ILLNESS OPTIONS

Critical Illness insurance is a voluntary benefit, meaning that you do not need to purchase this coverage. The table below outlines the plan options available:

EMPLOYEE	SPOUSE	CHILD
Units of \$10,000 to a maximum of \$200,000 (1 unit = \$10,000 coverage)	Units of \$10,000 to a maximum of \$200,000 (1 unit = \$10,000 coverage)	Units of \$5,000 to a maximum of \$20,000 (1 unit = \$5,000 coverage)

IMPORTANT NOTE:

For Optional Employee and Spouse Critical Illness coverage, medical evidence is required when you/your spouse requests coverage as well as any increase in that coverage. Coverage will take effect once the application has been reviewed and approved by Sun Life Financial.

The medical evidence of insurability form is available from the coverage summary section at the end of the online enrolment process. You/Your spouse's coverage will show coverage pending until the applicant is approved for coverage by Sun Life. Medical evidence of insurability is not required for Child Optional Critical Illness.

In order to be eligible to enroll your child in Critical Illness – Child, either you or your spouse must also be enrolled in Critical Illness – Member or Spouse.

OPTIONAL CRITICAL ILLNESS PREMIUM RATES

Critical Illness premium rates are based on age, gender and smoking status. If you move up an age band throughout the calendar year, your premiums will be adjusted accordingly. The associated payroll deductions will be indicated in the online enrolment tool.

The following Optional Critical Illness rates are expressed per \$10,000 of benefit. These rates are effective from January 1, 2020 to December 31, 2020.

Employee and Spouse

AGE BAND	MALE		FEMALE	
	SMOKER	NON SMOKER	SMOKER	NON SMOKER
Under 25	1.83	1.56	1.72	1.47
25 - 29	1.83	1.56	1.72	1.47
30 - 34	2.96	2.15	3.40	2.56
35 - 39	3.77	2.63	4.83	3.14
40 - 44	6.40	3.83	7.68	4.23
45 - 49	12.35	6.25	12.05	5.92
50 - 54	22.65	10.02	16.81	7.89
55 - 59	37.89	15.64	21.77	10.50
60 - 64	60.46	25.55	27.86	14.76

Smoker/Non-Smoker Status: A non-smoker is defined as a person who has not used any tobacco products during the 12-month period immediately preceding the date of application of insurance.

Calculating your Optional CI Premiums:

Estimated Annual Premium = (Volume of Insurance x Rate ÷ 10,000) x 12

Example: You are a male, non-smoker, age 41 and you have elected for \$50,000 of Optional CI coverage.

Annual Premiums = (\$50,000 x [\$3.83] ÷ \$10,000) x 12 = \$230 per year

Note: The cost of this benefit will automatically be calculated for you on Sun Life's plan member enrolment site and you are not required to calculate your own benefit costs. The annual premium amount noted above is rounded to the nearest dollar. Actual premiums are rounded to the nearest penny. This calculation is for illustration purposes only.

Child (ren)

The following Child Critical Illness rates are expressed per \$5,000 of benefit. This is a flat rate for all children and is effective from January 1, 2020 to December 31, 2020.

Child Rate **\$2.30**

Calculating your Child Optional CI Premiums:

Estimated Annual Premium = (Volume of Insurance x Rate ÷ 5,000) x 12

Example: You have elected for \$10,000 of Optional Child CI coverage.

Annual Premiums = (\$10,000 x [\$2.30] ÷ \$5,000) x 12 = \$55 per year

Note: The cost of this benefit will automatically be calculated for you on Sun Life's plan member enrolment site and you are not required to calculate your own benefit costs. The annual premium amount noted above is rounded to the nearest dollar. Actual premiums are rounded to the nearest penny. This calculation is for illustration purposes only.

CHOICES FOR UNUSED FLEX CREDITS

If you've selected the benefits you want and still have flex credits left over, you have two choices:

- Direct the excess flex dollars to your Health Spending Account (HSA);
- Direct the excess flex dollars to your Registered Retirement Savings Account (RRSP) with Great-West Life Policy #63987 (if applicable)

You can allocate all excess credits to one option or a percentage to both options.

Before finalizing your selections, double-check to make sure you have all of the benefits coverage you need. Once you've made your benefit choices, you're locked in until next year's enrolment unless you experience a life event change (see page 6 for more detail).

HEALTH SPENDING ACCOUNT (HSA)

The Health Spending Account is an easy way to pay for health and dental expenses that would otherwise come out of your pocket. It is most effective if you use it in coordination with your other flex coverage and/or any coverage your spouse may have. Think of it as part of your Health and Dental plans, not just a place for leftover credits.

The Health Spending Account operates like a bank account for benefits. You deposit credits into it when you enroll and then use the account, as you need it, to cover health and dental expenses until the next annual re-enrolment. The money in the form of credits that you allocate into a HSA is a non-taxable benefit to you.

Examples of expenses that could be covered under the Health Spending Account include:

- Deductibles and co-insurance (costs shared by you and the Company)
- Prescription drugs
- Eyeglasses, contact lenses, laser eye surgery
- Paramedical services (e.g. chiropractic and physiotherapy)

The Income Tax Act governs the type of expenses that can be claimed under the Health Spending Account.

For more information on HSA eligible expenses, please visit CRA's website:
<http://www.cra-arc.gc.ca/tx/tchncl/ncmtx/fls/s1/f1/s1-f1-c1-eng.html#N10377>

BALANCE CARRY FORWARD

At the start of each calendar year, you will have access to the annual dollar amount that you allocated towards your HSA. If you do not use all of your HSA credits in the year that you allocate them to the account, you have until the end of the following year to use them. This is a Balance Carry Forward Health Spending Account program.

Example:

Your plan year runs January 1 to December 31.

Your Health Spending Account (HSA) balance is \$500 as of January 1. During the first plan year, you have \$300 of qualifying health and dental expenses that were reimbursed to you through your HSA. As of December 31, there is a \$200 balance left in your HSA. You can carry forward that \$200 balance for the next plan year. If you do not use that \$200 by the end of the following plan year, the money will be forfeited.

If you have any unused 2018 HSA credits, these funds will be forfeited at the end of the 2019 calendar year. You have until the end of the proof of claim period (one year from the claim service date) to submit your claim for reimbursement. Please note that claims incurred in the 2019 calendar year cannot be reimbursed with 2020 HSA credits.

Before you direct credits into a HSA, consider the following:

Review the coverage offered under both the health and dental plan options you selected in the flex plan. Identify coverage areas where you may have out-of-pocket costs.

- How much should you contribute to the Health Spending Account? Before making your elections you should estimate your out-of-pocket costs for health and dental in the upcoming year, because any contributions you make during this year and do not use by the end of the following year are forfeited (see the **balance carry forward** description).
- Under an HSA, an eligible dependent includes anyone for whom you are entitled to claim a “medical expense tax credit” under the Income Tax Act (Canada). For example, you may be eligible to make claims under the Health Spending Account for grandchildren, parents and/or siblings, depending on your circumstances.
- There is no Health Spending Account (HSA) contribution limit, meaning that you can allocate all of your excess flex credits into this account.

REGISTERED RETIREMENT SAVINGS PLAN (RRSP)

For eligible employees, your retirement program with Corix is a group Registered Retirement Savings Plan (RRSP) offered through Great-West Life. Please refer to your RRSP booklet for a detailed description of this benefit.

Applying your excess flex credits towards your RRSP is optional. If you prefer, excess flex credits can be allocated towards a Health Spending Account. If you do not make a selection, your flex credits will automatically be allocated towards the HSA, which is the default option.

If you opt to allocate all or a percentage of your excess flex credits towards your RRSP account, Corix will deposit the amount you allocated directly into your Corix Group RRSP account with Great-West Life. The amount will be pro-rated on a monthly basis.

Before you direct credits into your RRSP, consider the following:

- Review your RRSP contribution room for the corresponding tax year
- Estimate your out-of-pocket costs for health care and dental in the upcoming year. It is more beneficial for you to pay for these health expenses through a Health Spending Account (HSA) with non-taxable flex credits than with after-tax dollars.

PRIOR AUTHORIZATION

Effective October 1, 2015, Corix implemented Prior Authorization to the drug plan. This requires that certain, but not all, drugs used to treat the following conditions be pre-approved by Sun Life based on medical criteria before they are eligible for reimbursement:

- Asthma
- Cancer (drugs administered orally)
- Hepatitis
- Lupus
- Multiple sclerosis
- Muscle-nerve disorder
- Osteoporosis
- Pulmonary arterial hypertension
- Rare diseases

A category of drugs called biologics also needs prior authorization. Biologics are used to treat conditions such as:

- Rheumatoid arthritis
- Crohn's disease
- Psoriatic arthritis
- Ankylosing spondylitis
- Plaque psoriasis

The categories of drugs that require prior authorization are determined based on evaluation of the prescription drugs' safety, cost and efficacy. Within the prior authorization categories, some have preferred drugs based on cost-effectiveness evaluations. Preferred drugs are those that maximize outcomes at the most reasonable cost.

You can find a list of the drugs and forms by going to mysunlife.ca/priorauthorization. You will need to enter Corix's contract number 100125 to view the list.

PREFERRED PHARMACY NETWORK (PPN)

The Sun Life Preferred Pharmacy Network (PPN) is a broad network of participating pharmacies that aims to provide reduced claim costs for employees buying "specialty drugs" when using the Sun Life Pay-Direct Drug card.

Specialty drugs are those drugs that require Prior Authorization before the plan member can receive reimbursement for them. Simply present your Pay-Direct Drug card at any participating pharmacy and the pharmacy mark-up cost will be automatically reduced.

For a listing of participating pharmacies, go to <https://www.sunlifepharmacynetwork.ca/network-pharmacies>

SALARY CHANGES

The volume of coverage for earnings based benefits such as Life Insurance, Accidental Death and Dismemberment (AD&D), and Long Term Disability are subject to change as changes occur to your annual salary throughout the year. The volume of insurance coverage you are eligible for will increase as your salary increases. Premiums will also increase to reflect the additional insurance coverage.

As Long Term Disability is an employee paid benefit, you will see an adjustment to the amount of premium deducted from your pay following updates to your salary in equal installments per pay period.

For Life Insurance and Accidental Death and Dismemberment (AD&D), these benefits are selected during open enrolment and are eligible to be paid for with flex credits. During the open enrolment period, you will make your benefit selections for the upcoming calendar year. If you have left over flex credits, you have three options, which include assigning the left over credits into a Health Spending Account, assigning the credits to your RRSP, or a combination of both. How salary changes will impact you depends on which option you selected for your left over flex credits.

Outlined below is an overview of how additional premiums are paid for as a result of increases to your annual salary throughout the year:

Assigned all excess flex credits to a Health Spending Account:

Any additional premiums will be deducted from your pay in equal installments per pay period. Your HSA credits will remain unchanged.

Assigned excess flex credits to an RRSP and HSA:

Any additional premiums will be deducted from your RRSP allocation. If you do not have enough RRSP credits to cover the cost of the additional premiums, the excess amount will be deducted from your pay in equal installments per pay period. Your HSA credits will remain unchanged.

Assigned all excess flex credits to an RRSP:

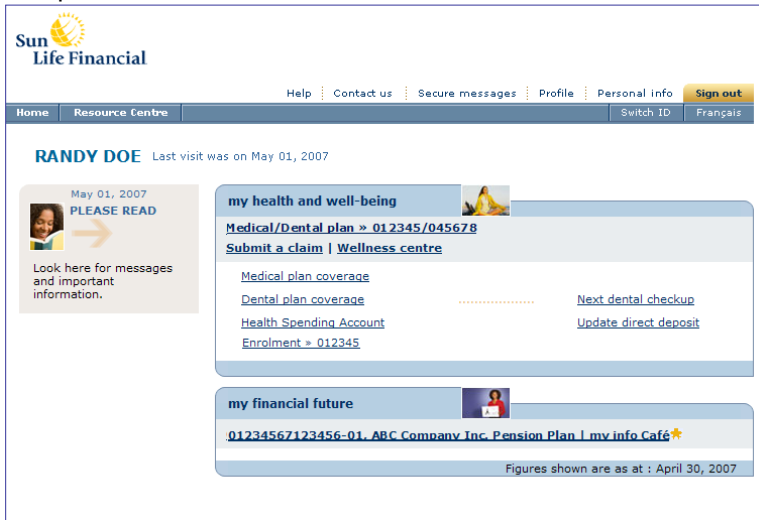
Any additional premiums will be deducted from your RRSP allocation. If you do not have enough RRSP credits to cover the cost of the additional premiums, the excess amount will be deducted from your pay in equal installments per pay period.

HOW TO ENROL ONLINE

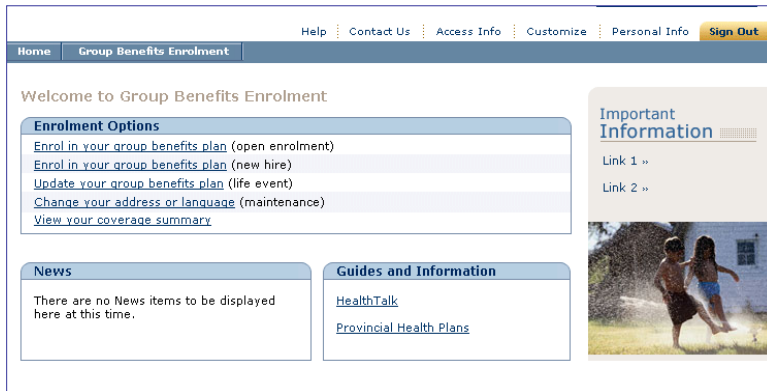
STEP 1: OBTAIN YOUR ACCESS ID

During your new hire open enrolment period, please call Sun Life to obtain your Access ID. You will need your plan and member number, which is included on your New Hire Benefits memo.

Once you have an Access ID and password, visit my Sun Life (www.mysunlife.ca) and enter your Access ID and password.

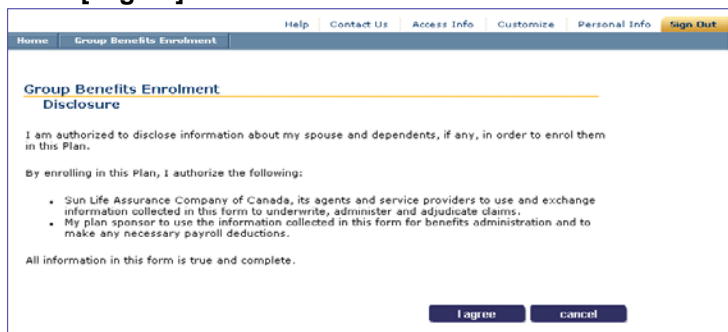


Under the heading **my health and well-being**, click on the **[Enrolment]** link to take you to the *Welcome to Group Benefits Enrolment* page



Select **[Enrol in your group benefits plan]**

You will be asked to authorize Sun Life Financial to use your information to administer your plan. You must select **[I agree]** in order to continue.



STEP 2 - CONFIRM YOUR PERSONAL INFORMATION

You should review your personal information and your family information to ensure it's correct. You can update your address and dependent information directly online. You can view your salary information and date of birth, but you won't be able to edit this information. Please contact your Compensation and Benefits Coordinator if your salary or birth date is incorrect. (This will not prevent you from continuing with the enrolment process.)

Personal Information

Step 1 of 3

Please check or update the information about you and your family. For changes that cannot be updated online contact your benefits administrator.

Personal Information

Member ID: 123456789

First Name: Last Name:

Street: Apt:

City: Province/State:

Postal Code: Work In:

Salary/Pay	Salary Type	Frequency
\$93600	Actual Earnings	Annually
\$93600	Benefit Earnings	Annually

Language: Gender: Male Date of Birth: (yyyy-mm-dd) 1964-08-08

To update beneficiary information, complete the beneficiary nomination form and return it to your Benefits Administrator. The form can be obtained by selecting the Get Form link found above the Beneficiary Nomination section on your Coverage Summary page.

Beneficiary Information

Our records indicate the following Beneficiary information:
Eva Christin Doe, spouse, 100%

Dependent Information

Do you have eligible dependent(s) (for example, a spouse or child) that you want to cover under your group benefits plan?

Yes

No

Tip: In the event a Life insurance benefit became payable, it would be paid to a designated beneficiary.

If you do not name a beneficiary, your Life insurance would be paid to your estate. To name a beneficiary, or update your existing nomination for your Life and Accidental Death benefits, see *Step 3 – Review your Coverage Summary*.

Select **[continue]** to go to Dependent Information or to Step 2.

Dependent Information

Step 1 of 3 (continued)

Please check or update the information about your dependents. For changes that cannot be updated online, contact your benefits administrator. Coverage will only be provided to dependents who meet [eligible dependents](#) definition for your plan.

Dependents					
First Name	Last Name	Date of Birth (yyyy-mm-dd)	Relationship	Gender	Overage Dependent Student
<input type="text" value="Eva Christin"/>	<input type="text" value="Doe"/>	<input type="text" value="1965-04-01"/>	<input type="text" value="Spouse"/>	<input type="text" value="Female"/>	<input type="checkbox"/>
		Effective Date (yyyy-mm-dd): <input type="text" value="2000-06-08"/>	Termination Date: <input type="text"/>		
<input type="text" value="Andreaia"/>	<input type="text" value="Doe"/>	<input type="text" value="1982-01-10"/>	<input type="text" value="Child"/>	<input type="text" value="Female"/>	<input checked="" type="checkbox"/>
		Effective Date (yyyy-mm-dd): <input type="text" value="2000-06-08"/>	Termination Date: <input type="text"/>		
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text" value="-----"/>	<input type="text" value="-----"/>	<input type="checkbox"/>
		Effective Date (yyyy-mm-dd): <input type="text"/>	Termination Date: <input type="text"/>		
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text" value="-----"/>	<input type="text" value="-----"/>	<input type="checkbox"/>
		Effective Date (yyyy-mm-dd): <input type="text"/>	Termination Date: <input type="text"/>		
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text" value="-----"/>	<input type="text" value="-----"/>	<input type="checkbox"/>
		Effective Date (yyyy-mm-dd): <input type="text"/>	Termination Date: <input type="text"/>		

[more](#)

[back](#) [continue](#)

STEP 3 - MAKE YOUR BENEFIT SELECTIONS

At the top of the page, you'll see the flex credits available to you under the title, *Your Flexible Benefit Credits are*. These are the total flex credits available for you to spend. From here, you should select the level of coverage you want for each benefit. If you need more information, select any underlined word to bring up a benefit description and any limitations that may apply. A monthly and annual cost will appear beside each benefit choice you select. You will pay the cost with either your flex credits or payroll deduction.

When you've made your choices select **[calculate costs now]**.

Select Benefits

Step 2 of 3

Your Flexible Benefit Credits are:	Monthly	Annual
Flex Credits Spent:	\$100.00	\$1,200.00
Payroll Deduction:	\$84.00	\$1,008.00
	\$73.80	\$885.60

[calculate costs now](#)

Select your benefits from the list below, then click **continue**. Click **calculate costs now** at any time to refresh the costs on this page.

<u>Medical</u>		Monthly Cost	Annual Cost
<input checked="" type="radio"/> Bronze	<input type="radio"/> Single		
	<input checked="" type="radio"/> Family	\$7.00	\$84.00
<input type="radio"/> Silver			
<input type="radio"/> Gold			
<input type="radio"/> Refused			
<u>Dental</u>		Monthly Cost	Annual Cost
<input checked="" type="radio"/> Bronze	<input type="radio"/> Single		
	<input checked="" type="radio"/> Family	\$8.00	\$96.00
<input type="radio"/> Silver			
<input type="radio"/> Refused			

Employee Life	Monthly Cost	Annual Cost
<input checked="" type="radio"/> 1 x Annual Earnings	\$8.00	\$96.00
<input type="radio"/> 2 x Annual Earnings		
<input type="radio"/> 3 x Annual Earnings		
Optional Employee Life	Monthly Cost	Annual Cost
<input checked="" type="radio"/> Units of 10,000 # of units <input type="text" value="10"/>	\$8.00	\$96.00
<input type="radio"/> Refused		
Optional Spousal Life	Monthly Cost	Annual Cost
<input checked="" type="radio"/> Units of 10,000 # of units <input type="text" value="10"/>	\$8.00	\$96.00
<input type="radio"/> Refused		

Smoking Status
 Have you smoked in the past 12 months? Yes No
 Has your spouse smoked in the past 12 months? Yes No

[Back to Top](#)

back
continue

	Monthly	Annual
Your Flexible Benefit Credits are:	\$100.00	\$1,200.00
Flex Credits Spent:	\$84.00	\$1,008.00
Payroll Deduction:	\$73.80	\$885.60

[calculate costs now](#)

Check that all your entries are correct and select **[continue]** at the bottom of the page.

After you have completed the Select Benefits process, any unused flex credits will be shown in red type. You can allocate these unused flex credits to the options shown under *Your Flexible Benefit Credits Allocations* by entering the amounts in the available boxes then selecting **[recalculate flex balances]**.

Allocate Flexible Benefit Credits
Step 2 of 3 (continued)

Your total annual flexible benefit credits are \$6,001.56. You must use these credits to pay for the cost of your benefits selections. If you have remaining flexible benefit credits you can allocate them to the other options shown below. If you have no changes, click "submit". If you wish to allocate to the other options, make your changes and click "calculate" - click "submit" when you are done. A summary of your benefit selections is shown at the bottom of the screen.

Your Flexible Benefit Balances		
	Monthly	Annually
Total credits	\$500.13	\$6,001.56
Credits allocated towards benefits	\$341.23	\$4,094.76
Flexible benefit credits left to allocate:	\$158.90	\$1,906.80

You have not allocated all of your available flexible benefit credits.
The amount you have allocated is \$0.00. **You have \$158.90 left to allocate.**

Your Flexible Benefit Credits Allocations		
	Monthly	Annually
HSA	<input type="text" value="0.00"/>	\$0.00
Taxable Cash	<input type="text" value="0.00"/>	\$0.00

[recalculate flex balances](#)

Scroll down to the table showing the *Summary of your benefit selections* and total annual costs. If all is OK, select **[submit]** to complete your enrolment.

Summary of your benefits selections				
Benefit	Option/coverage		Flex Credit Allocation	Payroll Deductions
Medical	Bronze - Family		\$84.00	\$0.00
Dental	Bronze - Single + 1		\$0.00	\$96.00
Long Term Disability	Non-taxable - 60%		\$0.00	\$420.00
Dependent Life	Spouse 10,000 / Child 5,000		\$120.00	\$0.00
Employee Life	1 x Annual Earnings		\$96.00	\$0.00
Optional Employee Life	units of 10,000		\$96.00	\$0.00
Optional Spousal Life	units of 10,000		\$96.00	\$0.00
H.S.A.			\$660.00	\$0.00
Taxable Cash			\$240.00	\$0.00
R.R.S.P.			\$0.00	\$0.00
Totals			\$1,392.00	\$516.00

Note: Your benefit selections generated an annual taxable benefit amount of \$312.00.

STEP 4 - REVIEW YOUR COVERAGE SUMMARY

Coverage Summary
for **Randy Doe** as of **August 17, 2006**.

Please review your coverage summary and print a copy for your records.
All date formats are yyyy-mm-dd.

Personal Information

Member ID: 123456789
 Hire Date: 2000-06-08
 Birth Date: 1964-08-11
 Language: English
 Smoker Status: Non-smoker
 Location: 001 - Ontario
 Gender: Male
 Dependent Status: Family

Address: 124 Main Street
 Toronto, Ontario
 Canada
 A1A 1A1
 Ontario
 Works in: Ontario

Salary/Pay	Salary Type	Frequency
\$93,600.00	Actual Earnings	Annually
\$93,600.00	Benefit Earnings	Annually

Benefits

Benefit Name	Option Name	Policy #	Requested Coverage	Employer Cost	Flex Credit Allocation	Member Cost
Medical 2003-06-08	Bronze	025104	Family	\$84.00	\$84.00	\$0.00
Dental 2003-06-08	Bronze	025104	Single + 1	\$0.00	\$0.00	\$96.00
Long Term Disability 2003-06-08	60%	056789	60%	\$0.00	\$0.00	\$420.00
Dependent Life 2003-06-08	10,000/5,000	056789	—	\$120.00	\$0.00	\$0.00
Employee Life 2003-06-08	1x	056789	\$94,000	\$96.00	\$0.00	\$0.00
Optional Employee Life 2003-06-08	units of 10,000	056789	\$200,000	\$0.00	\$0.00	\$96.00
Spousal Life 2003-06-08	units of 10,000	056789	\$100,000	\$0.00	\$0.00	\$96.00
H.S.A. 2003-06-08	H.S.A.	025104	\$660.00	\$660.00	\$0.00	\$0.00
Total Annual Cost				\$960.00	\$84.00	\$708.00

** Benefits that are neither insured nor administered by Sun Life but are provided by other providers

*Some of the elections you have made are pending and require completion and approval of a Statement of Health before coverage can be effective.
[Get Form](#)
[More information about pending benefits](#)

Dependents

Name	Effective Date	Birthdate	Relationship	Gender	Overage Student	Smoker
Eva Christin Doe	2000-06-08	1964-05-01	Spouse	Female		Smoker
Andrea Doe	2000-06-08	1982-01-10	Child	Female	Student	

Designated Dependents
 Eva Christin (1965-04-01) is the designated dependent for the Dental benefit.

To update beneficiary information, complete the beneficiary nomination form and return it to your Benefits Administrator.
[Get Form](#)
[More information about nominating beneficiaries](#)

Beneficiary Nominations
 Eva Christin Doe, spouse, 100%

You will now see your Coverage Summary. To print this summary, select **[print view]** at the bottom of the page. A second window will open. Select **[Print]** then close the window to return to your Coverage Summary.

If any benefits are shown as pending on this summary, you or your spouse will need to complete a Statement of Health form in order to be approved for coverage. If this applies to you, select **[Get Form]** to print a Statement of Health form. Complete the form and send it to:

Sun Life Assurance Company of Canada
Group Medical Underwriting
PO Box 11010 Stn CV
Montreal QC., H3C 4T9

Once Sun Life receives your Statement of Health, they'll contact you to let you know if your application is approved, and if so, your payroll deductions will be adjusted accordingly.

To name a beneficiary or update your existing nomination select **[Get Form]** to print a Beneficiary Nomination Form. Remember you must sign and date the original form and return it to your Compensation and Benefits Coordinator. Please do not use white-out. If changes need to be made, please cross out and initial the changes. If you need tips on naming a beneficiary, select **[More information about nominating beneficiaries]**.

Making Changes During The Enrolment Period

During your enrolment period, you can change your benefit selections as many times as you like using the Group Benefits Enrolment tool. The tool will show the benefit selections you have made so far, as well as how you have allocated your remaining flex credits to the options available under your plan.

Each time you make a change, be sure to complete the entire enrolment process, then check to make sure the change is reflected on your Coverage Summary.

HOW TO SUBMIT A CLAIM

YOUR PLAN ALLOWS YOU TO SUBMIT AN ONLINE CLAIM. FOLLOW THESE 5 SIMPLE STEPS TO SUBMIT YOUR CLAIM.

STEP 1 – CLICK ON “SUBMIT A CLAIM” ON YOUR HOME PAGE.



STEP 2 – CHOOSE THE TYPE OF EXPENSE YOU WANT TO CLAIM AND CHECK YOUR INFORMATION.

- Provide your bank information for direct deposit.
- Check your information. Once your claim is processed, your claim payment will be deposited into your account and an-email will be sent to you.
- To update the information click update, otherwise click continue.

STEP 3 – COORDINATION OF BENEFITS.

- Be sure to click on yes, if you are coordinating the claim with another benefit plan.
- Be sure to click on yes, if you want to submit a H.S.A claim for any unpaid balance on your claim.

Click continue.
For assistance or to learn more about [Coordination of Benefits](#).

The Claim is for: [Selected]

Do you want to submit a Coordination of Benefits (COB) claim? Yes No

If there is an unpaid balance on your claim, do you want to submit a Health Spending Account (HSA) claim? Yes No

continue **cancel**

STEP 4 – PROVIDE YOUR PROVIDER INFORMATION.

Step 4 of 5

Please select your Provider from the list. If the Provider is not on the list, select New Provider and enter the information.

Your Provider: Affinity Medical Clinic New Provider

Provider Information

You will be prompted to enter your new Provider information on the following page.

STEP 5— ENTER CLAIM DETAILS.

Step 5 of 5

Using your original drug receipts, enter your claim details and click continue. If you run out of space, finish submitting this claim. You can submit another claim by clicking the submit another claim button at the end of this claim submission.

NOTE: If there is no dispensing fee on your receipt please enter 0 in the box. For help in filling out the information, see the [sample](#). For further explanation on what should be entered into the field click on the appropriate column heading.

Purchase Date dd/mm/yyyy	DIN Number	Quantity # of Units	Type	Cost of Drug (xxx.xx)	Dispense Fee (xx.xx)	Amount You Paid (xxx.xx)	COB (Y/N)	COB Amount (xxx.xx)
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	\$ <input type="text"/>	\$ <input type="text"/>	\$ <input type="text"/>	<input type="text"/>	\$ <input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	\$ <input type="text"/>	\$ <input type="text"/>	\$ <input type="text"/>	<input type="text"/>	\$ <input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	\$ <input type="text"/>	\$ <input type="text"/>	\$ <input type="text"/>	<input type="text"/>	\$ <input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	\$ <input type="text"/>	\$ <input type="text"/>	\$ <input type="text"/>	<input type="text"/>	\$ <input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	\$ <input type="text"/>	\$ <input type="text"/>	\$ <input type="text"/>	<input type="text"/>	\$ <input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	\$ <input type="text"/>	\$ <input type="text"/>	\$ <input type="text"/>	<input type="text"/>	\$ <input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	\$ <input type="text"/>	\$ <input type="text"/>	\$ <input type="text"/>	<input type="text"/>	\$ <input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	\$ <input type="text"/>	\$ <input type="text"/>	\$ <input type="text"/>	<input type="text"/>	\$ <input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	\$ <input type="text"/>	\$ <input type="text"/>	\$ <input type="text"/>	<input type="text"/>	\$ <input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	\$ <input type="text"/>	\$ <input type="text"/>	\$ <input type="text"/>	<input type="text"/>	\$ <input type="text"/>
Total Amount You Paid:						\$	0.00	

Claim Period

Some expenses cannot be claimed online; instead, you must complete the claim form and mail it to Sun Life.

The claim period for medical and dental expenses is one year after the date you incur the expense, or 90 days after the end of your coverage, whichever is earlier.

The claim period for your Health Spending Account is one year after the date you incur the expense, or 90 days after the end of your Health Spending Account coverage, whichever is earlier.

WHERE CAN I FIND ADDITIONAL FLEX PLAN INFORMATION?

Please visit the [Health and Dental Benefits page](#) on Corix Connections.

QUESTIONS

Do you still have questions about your flex benefits plan?

Send us an email with your flex benefit questions (flexbenefits@corix.com) or contact your Compensation and Benefits Coordinator.

This guide describes the principal features of the group benefit plan sponsored by Corix, but the Group Policy No. 100125 and No. 101525 issued by Sun Life Financial is the governing document. If there are variations between the information in this summary and the provisions of the policy, the policy will prevail.

CASE NO. 2020-00160
WATER SERVICE CORPORATION OF KENTUCKY
RESPONSES TO ATTORNEY GENERAL'S SECOND REQUEST FOR INFORMATION

Robert Guttormsen

6. Refer to Water Service Kentucky's response to the Attorney General's First Request, Item 1(d), wherein Water Service Kentucky was asked to provide an organizational chart of Corix Regulated Utilities, Inc., but none was provided.
- a. Explain why Water Service Kentucky would not have an organizational chart of Corix Regulated Utilities.
 - b. Provide the salary of each of the Corix Regulated Utilities' employees, as well as the salary increases provided from 2015 – present day.
 - c. Provide a detailed explanation of the insurance benefits provided to Corix Regulated Utilities' employees including but not limited to health, dental, vision, life insurance, etc. Ensure to include all premiums paid by the Corix Regulated Utilities' employees, premiums paid by Corix Regulated Utilities on the employees' behalf, as well as all copays, deductibles, and maximum out of pocket amounts.

RESPONSE:

- a. The Company has recently migrated human resource systems and organizational charts are currently under development.
- b. WSCK is not requesting recovery of salaries expense for every employee of Corix Regulated Utilities, Inc. and thus objects to this request. Payroll and benefits that have been included in WSCK's revenue requirement have been provided in response to Staff's First Request for Information, Item 3 as well as within this set of discovery requests;

CASE No. 2020-00160
WATER SERVICE CORPORATION OF KENTUCKY
RESPONSES TO ATTORNEY GENERAL'S SECOND REQUEST FOR INFORMATION

- c. Please refer to the benefits guide provided in response to part h. of AG data request 2.02 above.

WITNESS:

Robert Guttormsen

CASE NO. 2020-00160
WATER SERVICE CORPORATION OF KENTUCKY
RESPONSES TO ATTORNEY GENERAL'S SECOND REQUEST FOR INFORMATION

7. Refer to Water Service Kentucky's response to the Attorney General's First Request, Item 2.
- a. Provide the total amount of direct charges made from WSC to Water Service Kentucky in the test year.
 - b. Provide the total amount of allocated charges made from WSC to Water Service Kentucky.
 - c. Provide the total amount of direct charges made from the Midwest Regional Cost Center to Water Service Kentucky in the test year.
 - d. Provide the total amount of allocated charges made from the Midwest Regional Cost Center to Water Service Kentucky in the test year.
 - e. Provide the allocation factor utilized by Midwest Regional Cost Center to Water Service Kentucky.
 - f. Explain in full detail what the Midwest Regional Cost Center is, and what function(s) it provides for Water Service Kentucky. Ensure to explain whether the Midwest Regional Cost Center is in any way affiliated with Water Service Kentucky.
 - g. Provide the total amount of direct charges made from the Midwest-MidAtlantic Vice President Cost Center to Water Service Kentucky in the test year.
 - h. Provide the total amount of allocated charges made from the Midwest-MidAtlantic Vice President Cost Center to Water Service Kentucky in the test year.

CASE NO. 2020-00160
WATER SERVICE CORPORATION OF KENTUCKY
RESPONSES TO ATTORNEY GENERAL'S SECOND REQUEST FOR INFORMATION

- i. Provide the allocation factor utilized by Midwest-MidAtlantic Vice President Cost Center to Water Service Kentucky.
- j. Explain in full detail what the Midwest-MidAtlantic Vice President Cost Center is, and what function(s) it provides for Water Service Kentucky. Ensure to explain whether Midwest-MidAtlantic Vice President Cost Center is in any way affiliated with Water Service Kentucky.

RESPONSE:

- a. There are no direct charges from WSC to Water Service Corporations.
- b. Please refer to the column labeled "WSC", included in response to AG DR 1.02.
- c. There are no direct charges from the regional cost cent to Water Service Corporation of Kentucky the costs are allocated.
- d. Please refer to column labeled "Regional". Included in response to AG DR 1.02
- e. Please refer to the enclosed file, "Response to AG DR 2.07 – Allocation Factors".
- f. Midwest Regional Cost Center is a shell company that holds costs directly benefited by a group of operating companies in the Midwest geographical region. These costs are allocated to each of the operating companies based on their ERC weight as a proportion to the entire group. Included in the Midwest Region are operating companies from Illinois, Indiana, and Kentucky. Majority of the functions of the Midwest Regional Cost Center includes operations management, project management, and administrative functions.

CASE NO. 2020-00160
WATER SERVICE CORPORATION OF KENTUCKY
RESPONSES TO ATTORNEY GENERAL'S SECOND REQUEST FOR INFORMATION

- g. Please refer to the enclosed file, "Response to AG DR 2.07 – Allocation Factors".

The line item label "Regional" Display the ERC factor used to allocate these group costs from the cost center to Water Service of Kentucky.
- h. Please refer to column labeled "RVP". Included in response to AG DR 1.02.
- i. Please refer to the enclosed file, "Response to AG DR 2.07 – Allocation Factors".

The line item label "RVP" Display the ERC factor used to allocate these group costs from the cost center to Water Service of Kentucky.
- j. The Midwest-MidAtlantic Vice President cost center is a shell company that house costs by directly benefited by operating in Midwest and MidAtlantic geographical regions. These costs are allocated to each of the operating companies with in the two regions based on the ERC weights. Included in the Midwest-MidAtlantic regions are operation companies in Illinois, Indiana, Kentucky, Maryland, Virginia, Pennsylvania, and New Jersey. Cost included in this cost center are not incurred at any other cost center and benefit each of the companies included. The Midwest-MidAtlantic Vice President cost center includes Finance, Leadership Operations, and administrative functions.

WITNESS:

Perry Brown, Senior Financial Analyst

CASE NO. 2020-00160
WATER SERVICE CORPORATION OF KENTUCKY
RESPONSES TO ATTORNEY GENERAL'S SECOND REQUEST FOR INFORMATION

8. Refer to Water Service Kentucky's response to the Attorney General's First Request, Item 3.
- a. Confirm or deny that in prior Water Service Kentucky rate cases the Commission has denied all recovery of Project Phoenix and JD Edwards costs. Explain the answer in full.
 - b. Based upon prior denials, explain why Water Service Kentucky is requesting to include \$8,046 in depreciation expense for Project Phoenix.
 - c. Provide the total monetary amount that Water Service Kentucky is requesting to include for JD Edwards costs.
 - d. Explain in full detail whether Water Service Kentucky has recouped any monetary amounts related to Project Phoenix in prior rate cases. If so, list the amount(s) recovered and the corresponding rate case in which it was allowed.
 - e. Explain in full detail whether Water Service Kentucky has recouped any monetary amounts related to JD Edwards in prior rate cases. If so, list the amount(s) recovered and the corresponding rate case in which it was allowed.

RESPONSE:

- a. The Commission has not previously allowed expenses related to Project Phoenix and JD Edwards to be recovered in rates.
- b. WSCK adhered to the Commission's order in Case No. 2018-00208, in which the Commission determined that computer expenses should be depreciated over 22.5 years. Project Phoenix is in service in the test year and continues to provide

CASE NO. 2020-00160
WATER SERVICE CORPORATION OF KENTUCKY
RESPONSES TO ATTORNEY GENERAL'S SECOND REQUEST FOR INFORMATION

benefits WSCK's customers. Accordingly, WSCK believes that it is appropriate to include depreciation expense for Project Phoenix.

- c. The incremental revenue impact for Project Phoenix JDE is \$28,618.
- d. Water Service Corporation of Kentucky has not recovered any cost related to the system known as Project Phoenix, which the Commission, the AG and the Customers historically and currently rely upon, from its rate payers.
- e. Water Service Corporation of Kentucky has not recovered any cost related JDE from its rate payers.

WITNESS:

Perry Brown, Senior Financial Analyst

CASE NO. 2020-00160
WATER SERVICE CORPORATION OF KENTUCKY
RESPONSES TO ATTORNEY GENERAL'S SECOND REQUEST FOR INFORMATION

9. Refer to Water Service Kentucky's response to the Attorney General's First Request, Item 4. The response is nonresponsive. As originally requested provide a simplified list that specifies all proposed pro forma adjustments, along with the amount of each pro forma adjustment, and a brief description of each adjustment.

RESPONSE:

Please see the attached file, "Response to AG DR 2.09 - Pro Forma Adjustments".

WITNESS:

Perry Brown, Senior Financial Analyst

CASE NO. 2020-00160
WATER SERVICE CORPORATION OF KENTUCKY
RESPONSES TO ATTORNEY GENERAL'S SECOND REQUEST FOR INFORMATION

10. Refer to Water Service Kentucky's response to the Attorney General's First Request,

Item 6.

a. Water Service Kentucky states that it has a local office in Clinton where customers may come in or call with concerns or questions.

i. Are there Water Service Kentucky customer service representatives based at this office? If not, who can assist customers at this location?

ii. Explain in detail whether customers are generally aware that this local office can handle customer service issues.

b. Water Service Kentucky states that it has a local office in Middlesboro where customers may come in or call with concerns or questions.

i. Are there Water Service Kentucky customer service representatives based at this office? If not, who can assist customers at this location?

ii. Explain in detail whether customers are generally aware that this local office can handle customer service issues.

RESPONSE:

a.

i. There are no customer service representatives at this location. When local staff are at this office, they will assist customers, or refer them to one of the customer service contact centers, as needed.

ii. It is believed that due to the small population and size of Clinton, and the length of time that the water company has occupied this location, that it would be generally known, that this office exists.

CASE NO. 2020-00160
WATER SERVICE CORPORATION OF KENTUCKY
RESPONSES TO ATTORNEY GENERAL'S SECOND REQUEST FOR INFORMATION

- b.
 - iii. There are no customer service representatives at this location. When local staff are at this office, they will assist customers, or refer them to one of the customer service contact centers, as needed.
 - iv. WSCK is not unaware of the degree that the customers as a whole, are aware that this local office can handle certain service issues.

WITNESS:

Stephen Vaughn

CASE NO. 2020-00160
WATER SERVICE CORPORATION OF KENTUCKY
RESPONSES TO ATTORNEY GENERAL'S SECOND REQUEST FOR INFORMATION

11. Refer to the customer complaints in the pending rate case. Besides opposition to the rate increase in general, a large percentage of the complaints filed by Water Service Kentucky customers in this case state that it is nearly impossible to speak with a customer service representative at the toll-free telephone number provided. The complaints further state that the hold time to reach a customer service representative can be 30 minutes or longer, and that the telephone system frequently disconnects customers.
- a. Provide a detailed response to these complaints.
 - b. After reviewing the large number of customer complaints in the pending rate case, provide any and all proposals that Water Service Kentucky has to address the issues raised by its customers.

RESPONSE:

- a. WSCK assumes that the AG is referring to the “public comments” filed in the pending rate case. There have been no customer contacts that were logged about customers reporting long hold times or disconnected phone lines. According to the Company’s records, the average wait time before a call was answered was 63 seconds in 2019 and 41 seconds in 2018.
- b. The Company endeavors to provide an exceptional level of customer service and wishes to rectify all instances of issues customers are experiencing. WSCK encourages customers to call customer service in order to log a complaint so that the Company can address each individual’s needs.

WITNESS:

Rob Guttormsen

CASE NO. 2020-00160
WATER SERVICE CORPORATION OF KENTUCKY
RESPONSES TO ATTORNEY GENERAL'S SECOND REQUEST FOR INFORMATION

12. Refer to Water Service Kentucky's response to the Attorney General's First Request, Item 8.

- a. Explain in detail why Water Service Kentucky uses equivalent residential customers instead of using the actual number of customers.
- b. Provide the number of actual industrial customers that Water Service Kentucky provides service to in Middlesboro and Clinton, broken down by each city.
- c. Provide the number of actual commercial customers that Water Service Kentucky provides service to in Middlesboro and Clinton, broken down by each city.

RESPONSE:

- a. WSCK uses equivalent residential customers and actual customer counts for various reasons – there is no implied preclusion of use in our choice to first note equivalent residential customer counts instead of actual customer counts. Equivalent residential connections does provide some information regarding the differences in demands that customers are able to place on the system, through the use of meter multipliers.
- b. There are 13 industrial customers in Middlesboro and 0 in Clinton.
- c. There are 610 commercial customers in Middlesboro and 70 in Clinton.

WITNESS:

Andy Dickson, Senior Financial Analyst

CASE NO. 2020-00160
WATER SERVICE CORPORATION OF KENTUCKY
RESPONSES TO ATTORNEY GENERAL'S SECOND REQUEST FOR INFORMATION

13. Refer to Water Service Kentucky's response to the Attorney General's First Request, Item 9(b). As originally requested, identify the type of pipeline/mains and the total number of miles of pipeline/mains that Water Service Kentucky has been replaced in the past five years.

RESPONSE: In the past 5 years, 1470 feet of cast iron mains have been replaced. These were replaced with HDPE pipe, via directional bore.

WITNESS:

Stephen Vaughn

CASE NO. 2020-00160
WATER SERVICE CORPORATION OF KENTUCKY
RESPONSES TO ATTORNEY GENERAL'S SECOND REQUEST FOR INFORMATION

14. Refer to Water Service Kentucky's response to the Attorney General's First Request, Item 9(c).

- a. Water Service Kentucky asserts that it plans to replace approximately 1 mile of pipeline every calendar year under the proposed Qualified Infrastructure Program (QIP).
 - i. If only one mile of pipeline will be replaced annually, explain in detail why those costs not be placed into base rates instead of creating the separate QIP.
 - ii. If the Commission approves the QIP, explain if Water Service Kentucky is planning to work on pipelines in the city of Middlesboro or Clinton first.
- b. Explain in detail whether Water Service Kentucky currently replaces pipeline/mains in its system even though it does not have a QIP. If so, provide the number of miles of pipeline/mains that Water Service Kentucky replaces per year.
- c. Water Service Kentucky states that the "large majority" of pipe to be replaced is cast iron. Identify what other types of pipeline/mains Water Service Kentucky will be replacing under the QIP, if approved.
- d. Identify all types of pipeline/mains that Water Service Kentucky has in its system, and include the age of the pipeline, and the estimated lifespan of each type of pipeline.
- e. Identify what type of pipeline Water Service Kentucky will use to replace the cast iron pipes.

CASE NO. 2020-00160
WATER SERVICE CORPORATION OF KENTUCKY
RESPONSES TO ATTORNEY GENERAL'S SECOND REQUEST FOR INFORMATION

- f. Provide the total estimated annual cost of the proposed Qualified Infrastructure Program.
- g. Provide the estimated monthly QIP surcharge that each customer will have to pay Water Service Kentucky if approved by the Commission.
- h. If the QIP is approved, will Water Service Kentucky use its own employees to replace the pipeline, or use contract labor? If contract labor will be used, explain how the contractor will be chosen.

RESPONSE:

- a. See below:
 - i. A QIP mechanism will enable WSCK to limit the frequency with which it must file general rate cases, which impose costs on our customers that they would not otherwise experience. Should our proposed QIP be approved, there will still be main replacement costs recovered in base rates, but they will have a much smaller role in our determinations of timing and frequency of changes we must make to base rates to ensure a fair return. Please refer to witness Guttormsen's testimony (Q47).
 - ii. The Company will work on pipe replacements in Clinton first, with prioritized work as identified in AG set 1-9c.
- b. Please refer to WSCK's attachment to AG DR 2-14, where we have added the type and calculated the miles of pipe replacements since 2010 provided in response to Staff DR1-36. As can be seen in the attachment, WSCK does indeed replace pipelines/mains in its system, despite no existing QIP.

CASE NO. 2020-00160
WATER SERVICE CORPORATION OF KENTUCKY
RESPONSES TO ATTORNEY GENERAL'S SECOND REQUEST FOR INFORMATION

c. Ductile Iron, PVC, and steel piping are other main types of piping in the systems.

d.

Clinton		
Copper	199.04 Feet	Unknown
Cast Iron	31020.14 Feet	Unknown
PVC	53289.65 Feet	Unknown
Steel	162.88 Feet	Unknown

Middlesboro		
Cast Iron	129893.15 Feet	Unknown
Copper	18966.45 Feet	Unknown
Ductile Iron	16756.09 Feet	Unknown
HDPE	1017.77 Feet	0-8 Years
PVC	109321.96 Feet	Unknown
Unknown	322590.00 Feet	Unknown

Given the age of each of these systems, the majority of the cast iron mains were placed into service in the late 1800's. Also, the unknown main type for Middlesboro is believed to be cast iron, due to the systems age. WSC is updating its GIS system daily, with the updated information.

WSC is not aware of any study or article that definitively identifies expected service life on water mains. An EPA document on deteriorating buried infrastructure suggests 100 years for cast iron pipe, 50 years for PVC pipe, and 50 years for HDPE. It however goes on to say that "The rate of deterioration of a water system is not a function of material age but rather the cumulative effect of the external forces acting on it." WSC asserts that it will use the EPA's suggested lifespan.

CASE NO. 2020-00160
WATER SERVICE CORPORATION OF KENTUCKY
RESPONSES TO ATTORNEY GENERAL'S SECOND REQUEST FOR INFORMATION

- e. The type of replacement piping will depend on engineering requirements. Typically, HDPE has been used when open trenching could be avoided. Otherwise, depending on soil type, either PVC or ductile would be used.
- f. WSCK has not estimated the costs of a QIP-surcharge proceeding. Costs may vary greatly depending on the specific mechanism that is approved in this case and the scope, complexity, and duration of that proceeding.
- g. WSCK has not estimated a monthly QIP surcharge. The surcharge will depend on the specific mechanism that is approved in this case, as well as the costs of the specific infrastructure that is to be replaced.
- h. For smaller projects, WSCK will use its staff to replace mains. For larger, long term projects, WSCK will use contractors. WSCK maintains certain equipment needed to replace water mains, but the larger projects may require machinery, not currently owned.

WITNESS:

Andy Dickson, Senior Financial Analyst; Stephen Vaughn, State Operations Manager

CASE NO. 2020-00160
WATER SERVICE CORPORATION OF KENTUCKY
RESPONSES TO ATTORNEY GENERAL'S SECOND REQUEST FOR INFORMATION

15. Refer to Water Service Kentucky's responses to the Attorney General's First Request, Items 13(a) and (b), wherein Water Service Kentucky asserted that it never refused to pay for an allocation from either WSC or Corix in 2019 or 2020.
- a. Water Service Kentucky has stated that its State Manager reviews the allocated expenses and determines whether any allocation is not reasonable, and therefore should not be paid. Does Water Service Kentucky have anyone else to review the millions of dollars of allocated expenses, or is the responsibility exclusively in the Kentucky State Manager's position?
 - b. Explain whether Water Service Kentucky ever refused to pay for an allocation from WSC in 2015, 2016, 2017, or 2018, and if so, provide a detailed list of all allocations that Water Service Kentucky refused to pay to WSC.
 - c. Explain whether Water Service Kentucky ever refused to pay for an allocation from Corix (or its predecessor) in 2015, 2016, 2017, or 2018, and if so, provide a detailed list of all allocations that Water Service Kentucky refused to pay to Corix (or its predecessor).

RESPONSE:

- a. The final input on allocations is given by the state manager, Stephen Vaughn, as the individual with the most intimate relationship with the needs of our Kentucky systems. The allocations are prepared for his review by members of the finance team, so abnormal instances do come to the attention of others. However, the appropriateness of expenses is ultimately assessed by Stephen Vaughn.

CASE NO. 2020-00160
WATER SERVICE CORPORATION OF KENTUCKY
RESPONSES TO ATTORNEY GENERAL'S SECOND REQUEST FOR INFORMATION

- b. No. Explanations provided by WSC have been sufficient in rationalizing charges allocated to Water Service Kentucky.

- c. WSCKY has not refused to pay an allocation from Corix. Explanations provided by Corix have been sufficient in rationalizing charges allocated to Water Service Kentucky.

WITNESS:

Stephen Vaughn, State Operations Manager

CASE NO. 2020-00160
WATER SERVICE CORPORATION OF KENTUCKY
RESPONSES TO ATTORNEY GENERAL'S SECOND REQUEST FOR INFORMATION

16. Refer to Water Service Kentucky's response to the Attorney General's First Request, Item 14. This answer is nonresponsive. As originally requested, provide a detailed breakdown of the \$118,000 expense associated with new services and costs that are included in this rate case, but not previously approved by the Commission.

RESPONSE:

Please refer to the attached file entitled "Response to AG DR 2.16 - WSCK Pro Forma CAM Cost Adjustment TTM - 2020.03.31 (Service Types Ref)" which contains service types and references to the 2020 CAM manual where descriptions for various service types are located.

WITNESS:

Rob Guttormsen

CASE NO. 2020-00160
WATER SERVICE CORPORATION OF KENTUCKY
RESPONSES TO ATTORNEY GENERAL'S SECOND REQUEST FOR INFORMATION

17. Refer to Water Service Kentucky's response to the Attorney General's First Request, Item 15(a)(i). Confirm that based on Commission precedent, including prior Water Service Kentucky rate cases, proposing adjustments to post-test year items does not meet the ratemaking criteria of being, known, and measurable, and therefore, should be disallowed.

RESPONSE:

WSCK cannot confirm the generalized statement contained in this request. The Commission considers whether a post-test year adjustment is known and measurable on a case-by-case basis.

WITNESS:

Legal.

CASE NO. 2020-00160
WATER SERVICE CORPORATION OF KENTUCKY
RESPONSES TO ATTORNEY GENERAL'S SECOND REQUEST FOR INFORMATION

18. Refer to Water Service Kentucky's response to the Attorney General's First Request, Item 15(a)(ii). This answer is nonresponsive. As originally requested, provide a detailed list of all post-test year adjustments that Water Service Kentucky is proposing in the pending rate case, and include a brief description and amount of each adjustment.

RESPONSE:

Please refer to the attachment provide in response to the Attorney General's Second Request, Item 9.

WITNESS:

Perry Brown

CASE NO. 2020-00160
WATER SERVICE CORPORATION OF KENTUCKY
RESPONSES TO ATTORNEY GENERAL'S SECOND REQUEST FOR INFORMATION

19. Refer to Water Service Kentucky's response to the Attorney General's First Request, Item 15(d). Explain in detail whether Water Service Kentucky is aware of any other sophisticated, investor-owned utility in the state of Kentucky that uses an operating ratio instead of a return on rate base.

RESPONSE:

WSCK is not in a position to characterize whether any other utility is "sophisticated" or not, and therefore, it cannot respond to the specific question. Based on research of PSC decisions, it appears that Kentucky-American Water Company's sewer rates and Center Ridge Water District, Inc.'s water rates are based on an operating ratio. The Commission has also approved rates for natural gas utilities based on an operating ratio. In Case No. 2008-00563, WSCK proposed rates based on a rate base rate of return methodology. In its final order in that case, the Commission encouraged WSCK to utilize an operating ratio in its next rate case.

WITNESS:

Steve Lubertozi

CASE NO. 2020-00160
WATER SERVICE CORPORATION OF KENTUCKY
RESPONSES TO ATTORNEY GENERAL'S SECOND REQUEST FOR INFORMATION

20. Refer to Water Service Kentucky's response to the Attorney General's First Request, Item 17, concerning water loss percentages.

- a. Explain in detail how Water Service Kentucky was able to drastically reduce its water loss from 17.20% in 2010 to 9.79% in 2011.
- b. Explain in detail how Water Service Kentucky was able to keep its water loss in the 6% range during 2013 and 2014.
- c. Explain what caused Water Service Kentucky's water loss to increase to 11.53% in 2015.
- d. Explain how Water Service Kentucky reduced its water loss to 7.43% in 2016 and 3.37% in 2017.
- e. Explain why Water Service Kentucky's water loss increased to 13.97% in 2018 and 13.98% in 2019.
- f. Kentucky-American Water Company's (Kentucky-American) 2019 annual report indicates water loss of 21.1047%, while Water Service Kentucky has asserted in its responses to the Attorney General's First Request that its water loss for 2019 was 13.98%. Explain why Water Service Kentucky needs a QIP due to the Company having a much lower percentage of water loss than Kentucky-American.
- g. Provide Water Service Kentucky's water loss percentage for each month of the year 2020 up to the present date.

RESPONSE:

CASE NO. 2020-00160
WATER SERVICE CORPORATION OF KENTUCKY
RESPONSES TO ATTORNEY GENERAL'S SECOND REQUEST FOR INFORMATION

- a. The main driver in water loss is through main breaks and leaks. It would be impossible to be able to predict and understand why specific main breaks occur. Temperature fluctuations will sometimes cause cast iron mains to break, but to what degree is unknown, from year to year.
- b. The main driver in water loss is through main breaks and leaks. It would be impossible to be able to predict and understand why specific main breaks occur. Temperature fluctuations will sometimes cause cast iron mains to break, but to what degree is unknown, from year to year.
- c. The main driver in water loss is through main breaks and leaks. It would be impossible to be able to predict and understand why specific main breaks occur. Temperature fluctuations will sometimes cause cast iron mains to break, but to what degree is unknown, from year to year.
- d. The main driver in water loss is through main breaks and leaks. It would be impossible to be able to predict and understand why specific main breaks occur. Temperature fluctuations will sometimes cause cast iron mains to break, but to what degree is unknown, from year to year.
- e. The main driver in water loss is through main breaks and leaks. It would be impossible to be able to predict and understand why specific main breaks occur. Temperature fluctuations will sometimes cause cast iron mains to break, but to what degree is unknown, from year to year.
- f. A history of water loss is a poor predictor of future water losses. Water Service Kentucky does experience main breaks that require attention due to aging

CASE NO. 2020-00160
WATER SERVICE CORPORATION OF KENTUCKY
RESPONSES TO ATTORNEY GENERAL'S SECOND REQUEST FOR INFORMATION

infrastructure, and we have worked to reduce these instances through main replacements. The QIP will help to continue this work and ensure that we are able to stay below the 15% water loss limit, as detailed in **807 KAR 5:066**. As can be seen in response to sub-part h, there are fluctuations in our water loss percentages each month as breaks are experienced and repaired. A QIP will help reduce these variances.

In addition, when the Commission approved Kentucky-American's QIP, evidence in that case indicated that Kentucky-American's non-revenue water percentage increased from 13.01% in 2012 to 21.15% in 2018. (*See* Case No. 2018-00358, KAWC Response to Attorney General's Second Request for Information at Item 39.) It would be illogical to approve a QIP only for water utilities that exceed the 15% threshold. If that were the policy, the Commission would be providing incentive for utilities to allow their systems to deteriorate.

- g. January 21.6% February 7.6% March 34.4% April 12.9% May 14.1% June 15.3% July 13% August 12.7%

WITNESS:

CASE NO. 2020-00160
WATER SERVICE CORPORATION OF KENTUCKY
RESPONSES TO ATTORNEY GENERAL'S SECOND REQUEST FOR INFORMATION

21. Refer to the Application in general. Explain why Water Service Kentucky does not have a 2019 annual report on the Commission's website.

RESPONSE:

The Company has submitted the 2019 Annual report through the Commission's online portal.

WITNESS:

Perry Brown, Senior Financial Analyst

CASE NO. 2020-00160
WATER SERVICE CORPORATION OF KENTUCKY
RESPONSES TO ATTORNEY GENERAL'S SECOND REQUEST FOR INFORMATION

22. Refer to Water Service Kentucky's response to the Attorney General's First Request, Item 18.

- a. Explain what company, if any, acted as Water Service Kentucky's payment vendor prior to 2014.
- b. Explain whether First Billing Service is in any way affiliated with Water Service Kentucky or its affiliates.
- c. Explain in detail whether Water Service Kentucky continues to evaluate other companies to ensure that First Billing Service provides the least cost payment vendor service. If not, explain why not.

RESPONSE:

- a. Prior to 2014, the Company had an agreement with CheckFree to provide credit/debit and electronic check services to our customers. The Company terminated the agreement with CheckFree in 2014 when it entered into the First Billing Services agreement. First Billing Services offered the least cost payment per transaction to our customers which benefits our customers who choose to pay using an electronic payment method.
- b. There is no affiliation between First Billing Services and Water Service Corp of KY or its affiliates.
- c. The Company is currently under agreement with First Billing Services but continues to look at other payment providers. The Company will actively evaluate and engage with other payment providers in advance of the

CASE No. 2020-00160
WATER SERVICE CORPORATION OF KENTUCKY
RESPONSES TO ATTORNEY GENERAL'S SECOND REQUEST FOR INFORMATION

termination/renewal of our existing agreement to ensure the least cost payment
services to our customers.

WITNESS:

Robert Guttormsen

CASE NO. 2020-00160
WATER SERVICE CORPORATION OF KENTUCKY
RESPONSES TO ATTORNEY GENERAL'S SECOND REQUEST FOR INFORMATION

23. Refer to Water Service Kentucky's responses to the Attorney General's First Request, Items 19(a), (b), and (c).

- a. As originally requested, provide the full cost of Adaptive Insights.
- b. Confirm that the Adaptive Insights costs are included in the requested revenue increase in the pending case.
- c. Water Service Kentucky stated in the above-referenced responses that the approximate cost of Adaptive Insights allocated to Water Service Kentucky in the Corix CAM costs is \$613. Provide clarification as to whether the allocated amount of \$613 is the total allocation amount assessed only one time, or if it is a monthly or annual allocation.
- d. Provide any and all direct benefit that Adaptive Insights provides to Water Service Kentucky customers.
- e. Provide the date that Adaptive Insights began being utilized by Water Service Kentucky, or provide the future date that Adaptive Insights will be utilized by Water Service Kentucky.

RESPONSE:

- a. As of the end of the test year ended March 31, 2020 Corix had prepaid \$383,094. Please note that this is only the implementation costs we amortize over 6 years. Yearly adaptive license costs are already part of O&M expense and allocated through CAM, those costs are approximately \$183,000 in Canadian. WSCCK has updated its estimate of the "full costs" of Adaptive in the attached file

CASE NO. 2020-00160
WATER SERVICE CORPORATION OF KENTUCKY
RESPONSES TO ATTORNEY GENERAL'S SECOND REQUEST FOR INFORMATION

entitled "Response to AG DR 2.23 - Adaptive Full Costs" to \$294,668 before allocations, and \$3,591 after the two tier CAM allocation process;

- b. Adaptive costs are included in WSCK's revenue requirement;
- c. \$3,591 is the approximate annual level of allocated expense that the Company is requesting recovery of from Kentucky rate payers;
- d. Please refer to the direct testimony of Robert Guttormsen at pp. 11 and 12;
- e. Adaptive has been in use by the Company since early 2018, costs related to Adaptive implementation did not begin to be allocated through CAM costs until December of 2018.

WITNESS:

Robert Guttormsen

CASE NO. 2020-00160
WATER SERVICE CORPORATION OF KENTUCKY
RESPONSES TO ATTORNEY GENERAL'S SECOND REQUEST FOR INFORMATION

24. Refer to Water Service Kentucky's responses to the Attorney General's First Request, Items 19(d), (e), and (f).

- a. Provide a detailed description of Meter to Cash.
- b. Provide any and all direct benefits that Meter to Cash provides to Water Service Kentucky customers.
- c. Provide the date that Meter to Cash began being utilized by Water Service Kentucky, or provide the future date that Meter to Cash will be utilized by Water Service Kentucky.

RESPONSE:

- a. Perfacto Meter to Cash Analytics is a business intelligence solution for use by the utility billing and customer care operations staff (supervisors and managers). The solution provides operational reports used to reveal exceptions and omissions in billing, field work, collections, adjustments, payments, keystrokes and transaction processing times by CSRs and more. Perfacto Meter to Cash Analytics solution also provides a view of process efficiency.;
- b. Perfacto Meter to Cash Analytics provides managers and supervisors with important metrics of business operations which in turn drive key business decisions. This information ensures timely billing, timely resolution to customer inquiries, measures CSR processing time for day in the life transactions such as starting and stopping service, account documentation, etc. These metrics allow managers and supervisors to identify training needs and opportunities to improve business processes. In turn, Water Service Corp of KY customers receive the

CASE NO. 2020-00160
WATER SERVICE CORPORATION OF KENTUCKY
RESPONSES TO ATTORNEY GENERAL'S SECOND REQUEST FOR INFORMATION

benefits of (1) CSRs receiving targeted training to enhance and improve the customer experience with our organization and (2) our utility billing staff having tools to identify billing exceptions that may have otherwise resulted in untimely billing.;

- c. Perfacto Meter to Cash Analytics went live on August 17, 2018.

WITNESS:

Robert Guttormsen

CASE NO. 2020-00160
WATER SERVICE CORPORATION OF KENTUCKY
RESPONSES TO ATTORNEY GENERAL'S SECOND REQUEST FOR INFORMATION

25. Refer to Water Service Kentucky's responses to the Attorney General's First Request, Items 19(g), (h), and (i), which state that the cost for FUSION included in the current filing is \$14,290,000.

- a. Provide clarification as to whether the \$14,290,000 represents the total cost of FUSION, or the amount allocated to Water Service Kentucky.
- b. Provide the exact amount of the FUSION costs that are allocated to Water Service Kentucky.
- c. Provide any and all direct benefits that FUSION provides to Water Service Kentucky customers.
- d. Provide the date that FUSION began being utilized by Water Service Kentucky, or provide the future date that FUSION will be utilized by Water Service Kentucky.

RESPONSE:

- a. The \$14,290,000 represent to total cost of the FUSION project,
- b. Water Service Corporation of Kentucky will be allocated \$333,496 of the FUSION project.
- c. FUSION is WSCK's internally branded implementation of Oracle Cloud. It is a multi-functional platform which integrates payroll, time entry, recruiting, onboarding, performance management, benefits administration, human capital management, health and safety incident tracking, accounting, procurement, expense management, payment processing, vendor management and project management systems into a single, integrated platform. This modern system uses

CASE NO. 2020-00160
WATER SERVICE CORPORATION OF KENTUCKY
RESPONSES TO ATTORNEY GENERAL'S SECOND REQUEST FOR INFORMATION

the latest cloud and security technology to offer users instant access to this functionality from an office computer or a tablet in the field. The modern capabilities of this platform will replace Massanutten's aging ERP system, Oracle - JD Edwards, and provides a platform to mature the business by replacing manual processes with best-in-class, automated workflows and offer managers instant reporting and real-time vision into the status of both workforce and financial information. Fusion is a foundational platform that will offer future integration opportunities into our OMS Asset Management platform that will deliver additional operational efficiencies for employees completing work orders and service requests to customers. The Company is utilizing the FUSION platform. The platform went online June 1st. 2020.

WITNESS:

Perry Brown, Senior Financial Analyst

CASE NO. 2020-00160
WATER SERVICE CORPORATION OF KENTUCKY
RESPONSES TO ATTORNEY GENERAL'S SECOND REQUEST FOR INFORMATION

26. Refer to Water Service Kentucky's responses to the Attorney General's First Request, Items 20(a) – (f).

- a. As originally requested, provide a detailed breakdown of the \$191,415 salary and wage expense adjustment.
- b. As originally requested identify all bonuses that Water Service Kentucky provided to its employees for the calendar years 2015, 2016, 2017, 2018, 2019, and 2020.
- c. Explain Water Service Kentucky's policy with regard to providing bonuses to employees, and whether it is provided to only a certain number of employees or all employees.
- d. Confirm that only one bonus was provided to a Water Service Kentucky employee in 2020 thus far, specify the date that the bonus was given, and explain in detail why the bonus was given.
- e. Explain in detail why Water Service Kentucky gave a maximum raise of 38.71% in 2017.
- f. Explain in detail why Water Service Kentucky gave a maximum raise of 17.50% in 2018.
- g. Explain in detail why Water Service Kentucky gave a maximum raise of 8% in 2019.
- h. Explain whether Water Service Kentucky took into consideration the devastating economic impact related to COVID-19 when providing a minimum 3% raise and maximum 4% raise in 2020.

CASE NO. 2020-00160
WATER SERVICE CORPORATION OF KENTUCKY
RESPONSES TO ATTORNEY GENERAL'S SECOND REQUEST FOR INFORMATION

RESPONSE:

- a. In its response to the Attorney General's First Request, Items 20(a), WSCK referred the AG to its response to Staff DR 1.3 entitled "CONFIDENTIAL Response to Staff DR 1.3 – Salaries" which is a detailed salary build file that works up to the \$191,415 on the tab "Summary of Salary Adjustments". Formulas can be traced back to detailed calculations that develop the Company's proposed Payroll & Benefits Adjustments.
- b. There was only one bonus of \$2,000 awarded in 2020 to a Water Service Kentucky employee.
- c. Not all employees receive bonuses and bonuses are paid to employees based on performance.
- d. Confirmed. The bonus was paid to the employee in April of 2020 due to exemplary performance throughout 2019.
- e. WSCK's current Area Manager was promoted in 2017.
- f. One of WSCK's Operators received his Class 4 Distribution License in 2018. This employee was also below the range for his position.
- g. Employee had performed well and was previously being compensated under the company's market range for their position.
- h. No, the impact of Covid was not known at the time 2019 performance reviews took place.

WITNESS:

Rob Guttormsen

CASE NO. 2020-00160
WATER SERVICE CORPORATION OF KENTUCKY
RESPONSES TO ATTORNEY GENERAL'S SECOND REQUEST FOR INFORMATION

27. Refer to Water Service Kentucky's responses to the Attorney General's First Request, Items 20(g) and (h).

- a. Confirm that Water Service Kentucky and its affiliates paid approximately \$52,465 in incentive compensation during the test year period. If not, provide the amount of incentive compensation paid during the test year period.
- b. Provide the monetary amount of the \$52,465 incentive compensation that was related to financial objectives, and therefore, should be removed from the requested rate increase.
- c. Explain in detail how the remaining incentive compensation directly benefits Water Service Kentucky customers.

RESPONSE:

- a. Confirmed.
- b. 100% of the LTIIP is estimated to be financial driven, and approximately 50% of overall EIP is financially driven.
- c. Incentivizing high performers and creating an environment where higher level employees are engaged lends itself to lower turnover in management and thus more stability in leadership for those operating the place.

WITNESS:

Rob Guttormsen

CASE NO. 2020-00160
WATER SERVICE CORPORATION OF KENTUCKY
RESPONSES TO ATTORNEY GENERAL'S SECOND REQUEST FOR INFORMATION

28. Refer to the Direct Testimony of Robert Guttormsen (“Guttormsen Testimony”), page 16, in which Mr. Guttormsen states that the salaries and wage expense has been adjusted with an increase of \$191,415 for projected salaries, taxes, and benefits for employees.
- a. Provide the salary of each of the WSC employees, as well as the salary increases provided from 2015 – present day.
 - b. Provide the average annual raise that WSC provided to its employees for the calendar years 2015, 2016, 2017, 2018, 2019, and 2020. Identify the location of each employee that received an annual raise in the calendar years listed.
 - c. Provide the minimum and maximum raise that WSC provided to its employees for the calendar years 2015, 2016, 2017, 2018, 2019, and 2020. Identify the location of each employee that received a minimum raise and maximum raise in the calendar years listed.
 - d. Explain whether the annual raise given to WSC employees was directly connected to a performance review.
 - e. Identify all bonuses that WSC provided to its employees for the calendar years 2015, 2016, 2017, 2018, 2019, and 2020. Identify the location of each employee that received a bonus in the calendar years listed.
 - f. Explain WSC’s policy with regard to providing bonuses to employees, and whether it is provided to only a certain amount of employees or all employees.
 - g. Provide a detailed explanation of the insurance benefits provided to WSC employees including but not limited to health, dental, vision, life insurance, etc. Ensure to include all premiums paid by the WSC employees, premiums paid by

CASE NO. 2020-00160
WATER SERVICE CORPORATION OF KENTUCKY
RESPONSES TO ATTORNEY GENERAL'S SECOND REQUEST FOR INFORMATION

WSC on the employees' behalf, as well as all copays, deductibles, and maximum out of pocket amounts.

RESPONSE:

- a. Please see the attached file entitled "CONFIDENTIAL Response to AG DR 2.04 d. - WSC, Reg, President Cost Center Salary Increase 2015-2020";
- b. Please see the attached file entitled "CONFIDENTIAL Response to AG DR 2.04 d. - WSC, Reg, President Cost Center Salary Increase 2015-2020";
- c. Please see the attached file entitled "CONFIDENTIAL Response to AG DR 2.04 d. - WSC, Reg, President Cost Center Salary Increase 2015-2020";
- d. Yes, raises are connected to performance reviews;
- e. Please see the attached file entitled "CONFIDENTIAL Response to AG DR 2.04 d. - WSC, Reg, President Cost Center Salary Increase 2015-2020";
- f. Not all employees receive bonuses and bonuses are paid to employees based on performance.
- g. Please see the benefits guide previously provided

WITNESS:

Robert Guttormsen

CASE NO. 2020-00160
WATER SERVICE CORPORATION OF KENTUCKY
RESPONSES TO ATTORNEY GENERAL'S SECOND REQUEST FOR INFORMATION

29. Refer to Water Service Kentucky's response to the Attorney General's First Request,

Item 21.

- a. Explain in detail how Water Service Kentucky has placed increased focus on growing the business.
- b. Identify the asset management initiatives referred to in the above-referenced response.
- c. Explain why the four new positions that have been added to Water Service Kentucky's revenue requirement are necessary to achieve the above-referenced goals.

RESPONSE:

a. WSCK, through its Business Development Manager, is actively seeking growth opportunities, by responding to RFPs and RFI, and taking to local owners and operators to see if they would be interested in divesting their assets.

b. Asset management software is used to inventory all assets, track their condition, and perform preventative maintenance, on a routine basis. By utilizing this program, WSC can better budget for asset replacement, based on condition assessments, as well as do timely preventative maintenance, to maximize their useful life.

- d. See Guttormsen Direct Testimony pages 18 to 21.

WITNESS:

Rob Guttormsen

CASE NO. 2020-00160
WATER SERVICE CORPORATION OF KENTUCKY
RESPONSES TO ATTORNEY GENERAL'S SECOND REQUEST FOR INFORMATION

30. Refer to Water Service Kentucky's response to the Attorney General's First Request, Item 22.

- a. Explain who Water Service Kentucky intends to report the Vice President of Regulatory Affairs and Business Development position to in 3Q20, and the implications of reporting the same.
- b. Explain in detail why the search for the position needs to restart if an offer was already previously made to an applicant?
- c. What is the earliest date that the position of Vice President of Regulatory Affairs and Business Development would reasonably be filled?
- d. Explain in detail why Water Service Kentucky should be allowed to recover salary and benefit expense for the Vice President of Regulatory Affairs and Business Development in the base rates, when it is currently a new and vacant position.
- e. Provide the exact amount of all costs associated with the Vice President of Regulatory Affairs and Business Development position that Water Service Kentucky included in the rate case, which should be removed due to it being vacant.

RESPONSE:

- a. Michael Miller-Business Development Manager;
- b. The offer was made, and the candidate made a counteroffer which was being contemplated. However, due to COVID-19 the position was put on hold. At this time WSCK is unaware if the candidate is available or willing to take the position.

CASE NO. 2020-00160
WATER SERVICE CORPORATION OF KENTUCKY
RESPONSES TO ATTORNEY GENERAL'S SECOND REQUEST FOR INFORMATION

- c. January 1, 2021;
- d. Because WSCK will incur the expense for this position within the year rates are placed into effect;
- e. The Company does not agree that costs associated with the Vice President of Regulatory Affairs and Business Development position should be removed.

WITNESS:

Steve Lubertozi

CASE NO. 2020-00160
WATER SERVICE CORPORATION OF KENTUCKY
RESPONSES TO ATTORNEY GENERAL'S SECOND REQUEST FOR INFORMATION

31. Refer to Water Service Kentucky's response to the Attorney General's First Request, Items 23(a) and (b).

- a. Explain in detail why Water Service Kentucky should be allowed to recover salary and benefit expense for the new and vacant Midwest Project Manager position when the Company admits that the search has been placed on hold due to COVID-19.
- b. Provide the exact amount of all costs associated with the Midwest Project Manager position that Water Service Kentucky included in the rate case, which should be removed due to it being vacant.
- c. As originally requested, provide a detailed breakdown of the \$10,000 incremental adjustment that Water Service Kentucky made to cover costs associated with preventative maintenance on assets.

RESPONSE:

- a. Because WSCK will incur the expense for this position within the year rates are placed into effect and in September WSCK's Vice President interviewed a candidate for this position.
- b. The Company does not agree that costs associated with the Midwest Project Manager position should be removed.
- c. Most of the preventative maintenance is driven by the sludge pond cleaning listed for \$19,500. This amount was offset by additional generator repairs as a result of the annual inspections.

WITNESS:

CASE No. 2020-00160
WATER SERVICE CORPORATION OF KENTUCKY
RESPONSES TO ATTORNEY GENERAL'S SECOND REQUEST FOR INFORMATION

Steve Lubertozzi (31a and 31b)

Perry Brown (31c)

CASE NO. 2020-00160
WATER SERVICE CORPORATION OF KENTUCKY
RESPONSES TO ATTORNEY GENERAL'S SECOND REQUEST FOR INFORMATION

32. Refer to Water Service Kentucky's responses to the Attorney General First Request, Items 24(a) and (b).

- a. For the pending case, provide a categorical breakdown of the actual amount of rate case costs that have been expended thus far.
- b. If a virtual hearing is conducted, instead of a live hearing, due to COVID-19, explain whether any additional rate case costs will be removed besides the \$7,400 cost assigned to travel.

RESPONSE:

- a. The Company has expensed \$39,470 in rate case costs thus far. The costs breakdown to \$2,914 in Administrative Costs and \$36,556 in Attorney Fees. Please see the attached file, "Response to AG DR 2.32 - Rate Case Expense".
- b. There will not be any other reductions to rate case expense if the hearing is conducted virtually.

WITNESS:

Perry Brown, Senior Financial Analyst

CASE NO. 2020-00160
WATER SERVICE CORPORATION OF KENTUCKY
RESPONSES TO ATTORNEY GENERAL'S SECOND REQUEST FOR INFORMATION

33. Refer to Water Service Kentucky's response to the Attorney General's First Request, Item 25. As originally requested, provide a breakdown of the costs contained in the \$24,359 that were removed, and provide a detailed explanation as to why each cost was removed.

RESPONSE:

Please refer to the attached file entitled "Response to AG DR 2.33 - WSCK Pro Forma CAM Cost Adjustment TTM - 2020.03.31 (Excluded Costs_HL)".

WITNESS:

Rob Guttormsen

CASE NO. 2020-00160
WATER SERVICE CORPORATION OF KENTUCKY
RESPONSES TO ATTORNEY GENERAL'S SECOND REQUEST FOR INFORMATION

34. Refer to Water Service Kentucky's response to the Attorney General's First Request, Item 26.

- a. As originally requested, provide the approved rate of return that the Commission recently approved for Kentucky-American's QIP rider.
- b. Water Service Kentucky asserts that it is not proposing a 12% return on capital through its QIP rider, rather it is proposing an operating ratio calculated on incremental income statement costs driven by unrecovered plant investment. If Water Service Kentucky is not requesting a 12% return on capital through its QIP rider, then provide the equivalent rate of return that Water Service Kentucky is requesting through its QIP rider.

RESPONSE:

- a. WSCK does not know the approved rate of return that the Commission recently approved for Kentucky-American's QIP rider. The Attorney General may be able to discover this information from Kentucky-American's tariff or the information contained in PSC Case No. 2020-00027.
- b. An exact equivalent rate of return cannot be calculated at this time because any future QIP surcharge would be based on an operating ratio and the depreciation rate of the specific project is unknown. Calculation of the surcharge would be based on what the Commission would approve in a future proceeding. However, a Return on Equity using the Operating Margin for a specific project is likely to be less than 1% Return on Equity.

WITNESS:

CASE NO. 2020-00160
WATER SERVICE CORPORATION OF KENTUCKY
RESPONSES TO ATTORNEY GENERAL'S SECOND REQUEST FOR INFORMATION

Steve M. Lubertozi

35. Refer to Water Service Kentucky's response to the Attorney General's First Request, Item 27. Also, refer to the Guttormsen Testimony, page 32, in which Mr. Guttormsen asserts that the QIP rider would extend the period between Water Service Kentucky's rate cases. As originally requested, if the Commission approves the proposed QIP rider, provide the extended period that Water Service Kentucky envisions would be between rate cases.

RESPONSE:

Company witness Guttormsen qualified his statement that a QIP rider extends the period between rate cases by noting that such a principle applies when "all else [is] equal." Infrastructure replacement is one of many factors that a utility considers in determining whether an adjustment in rates is necessary. WSCK cannot predict at this time when WSCK will request a rate adjustment in the future.

WITNESS:

Robert Guttormsen

CASE NO. 2020-00160
WATER SERVICE CORPORATION OF KENTUCKY
RESPONSES TO ATTORNEY GENERAL'S SECOND REQUEST FOR INFORMATION

36. Refer to Water Service Kentucky's responses to the Attorney General's First Request, Items 28(a), (b), and (c).

- a. Identify any and all utilities in the state of Kentucky that have a Commission approved low-income volumetric rate.
- b. Identify any and all utilities in other states that Water Service Kentucky is aware of that have a low-income volumetric rate.
- c. If the low-income customers receive a discounted volumetric rate, then do the rest of the Water Service Kentucky customers have to make up the difference, or will the shareholders be contributing to the loss of revenue? Explain the response in full detail.

RESPONSE:

- a. The Company is not aware of any such rate approved by the Commission.
- b. The list of utilities that use low-income rates is too large to accurately document for this interrogatory. Some utilities that have low-income rates include:
 - i. DC Water (<https://www.dewater.com/lifeline-rate>)
 - ii. Sacramento County Water Agency
(<https://waterresources.saccounty.net/scwa/Pages/LifelineProgram.aspx>)
 - iii. City of Olympia (<http://m.olympiawa.gov/city-utilities/utility-billing/lifeline-rate-program.aspx>)
 - iv. Los Angeles Department of Water and Power
(<https://www.ladwp.com/ladwp/faces/ladwp/residential/r-financialassistance/r-fa->

CASE No. 2020-00160
WATER SERVICE CORPORATION OF KENTUCKY
RESPONSES TO ATTORNEY GENERAL'S SECOND REQUEST FOR INFORMATION

[disconrates;jsessionid=Q2LNfpZR9VsNb2RCRHtQ7GgXP6hpYF9BF2WxQfBtMpQGMTGkffWc!-31004561?_afLoop=17916450388398&_afWindowMode=0&_afWindowId=null#%40%3F_afWindowId%3Dnull%26_afLoop%3D17916450388398%26_afWindowMode%3D0%26_adf.ctrl-state%3D63kdte33p_4\)](https://www.kywater.com/portal/portal.jspx?jsessionid=Q2LNfpZR9VsNb2RCRHtQ7GgXP6hpYF9BF2WxQfBtMpQGMTGkffWc!-31004561?_afLoop=17916450388398&_afWindowMode=0&_afWindowId=null#%40%3F_afWindowId%3Dnull%26_afLoop%3D17916450388398%26_afWindowMode%3D0%26_adf.ctrl-state%3D63kdte33p_4)

- v. Azusa, CA (<https://www.ci.azusa.ca.us/376/Lifeline-Rate>)
- vi. Austin Water (<http://www.austintexas.gov/news/reduced-water-and-wastewater-rates-low-income-residential-cap-customers-take-effect-november-1>)

WITNESS:

Andy Dickson

CASE NO. 2020-00160
WATER SERVICE CORPORATION OF KENTUCKY
RESPONSES TO ATTORNEY GENERAL'S SECOND REQUEST FOR INFORMATION

37. Refer to Water Service Kentucky's response to the Attorney General's First Request, Item 29(a), and as originally requested, provide the resolution regarding each complaint that has been filed with Water Service Kentucky in the past 18 months.

RESPONSE:

Please note that 29(a) listed 23 complaints but two of them were listed twice (below) so there were actually 21 water quality complaints. In turn, the response to DR 37 includes the field activities and resolutions for the 21 complaints.

283	345	Water Service Corp of Kentucky	263	8880257610	8880010000	HITE,SHIRLEY F	QC	TASTE/ODOR	CCLEVELA	03/25/2019	117 BLAKEMAN DR-- Shirley called in to report there was a bad taste in the water . Created FA . Courtney
284	345	Water Service Corp of Kentucky	263	8880257610	8880010000	HITE,SHIRLEY F	QC	TASTE/ODOR	CCLEVELA	03/25/2019	117 BLAKEMAN DR-- Shirley called in to report there was a bad taste in the water . Created FA . Courtney
285	345	Water Service Corp of Kentucky	263	8882645327	8880010000	HITE,SHIRLEY F	QC	TASTE/ODOR	BWAREMBO	03/06/2019	Shirley called in to report the water doesn't taste good. Set filed activity and emailed dispatch. 117 BLAKEMAN DR, Brittany nv
286	345	Water Service Corp of Kentucky	263	8882645327	8880010000	HITE,SHIRLEY F	QC	TASTE/ODOR	BWAREMBO	03/06/2019	Shirley called in to report the water doesn't taste good. Set filed activity and emailed dispatch. 117 BLAKEMAN DR, Brittany nv
287											

WITNESS: Perry Brown

CASE NO. 2020-00160
WATER SERVICE CORPORATION OF KENTUCKY
RESPONSES TO ATTORNEY GENERAL'S SECOND REQUEST FOR INFORMATION

38. Refer to Water Service Kentucky's responses to the Attorney General's First Request, Items 30 and 31.

- a. Provide the total dollar amount, designated by city, of each accepted bid to perform both the Middlesboro Tank Reconditioning Project as well as the Clinton Tank Reconditioning Project.
- b. Due to the accepted bids being drastically lower than the estimated monetary amount included in the rate case, provide the total monetary amount that Water Service Kentucky will withdraw from its requested rate increase.
- c. If the proposed Middlesboro tank maintenance has not been performed since 2004 and 2005, then why is Water Service Kentucky requesting a 10-year amortization of the costs, instead of a 15-year amortization? Explain the response in full detail.

RESPONSE:

- a. Please see the Supplemental Direct Testimony of Stephen Vaughn.
- b. Please see the Supplemental Direct Testimony of Stephen Vaughn.
- c. The Company uses a 10 year service life as our best estimation of service life, not as a rule by which maintenance must be performed. The condition of the tanks at present has enabled some delay in tank maintenance, but this is performance above and beyond expectation. The company may have to perform tank maintenance seven years or shorter after the next planned instance, or it could be fifteen – our best estimation of average service life for the work is ten years, which will on average ensure an appropriate amortization period.”

CASE NO. 2020-00160
WATER SERVICE CORPORATION OF KENTUCKY
RESPONSES TO ATTORNEY GENERAL'S SECOND REQUEST FOR INFORMATION

In addition, the Commission has often approved a 10-year amortization period for tank reconditioning. *See, e.g.,* South Shore Water Works Co., Case No. 2003-00044 at 7 (Staff Report filed June 20, 2003) adopted by the Commission Case No. 2003-00044 at 2 (Ky. PSC July 7, 2003)(approving a 10-year amortization period for tank painting); Sedalia Water Dist., Case No. 91-462 at 5 (Staff Report filed March 31, 1992) adopted by the Commission Case No. 91-462 at 2 (Ky. PSC May 5, 1992) (“According to the Commission's Engineering Division, this expense should be amortized over a period of 10 years.”); *see also* City of Falmouth, Case No. 2006-00403 (Staff Report filed May 11, 2007)(“ The 10-year period is the anticipated life of the painting and is a standard rate-making methodology.”); South Hopkins Water Dist., Case No. 2013-00428 (Ky. PSC June 12, 2014)(approving a 10-year service life for tank painting); West Daviess Cnty. Water Dist., Case No. 1993-00103 at 6 (Staff Report filed June 12, 1993) adopted by the Commission in Case No. 1993-00103 at 2 (Ky. PSC Aug. 5, 1993)(approving a 7-year amortization period for tank painting).

WITNESS:

Perry Brown, Stephen Vaughn

CASE NO. 2020-00160
WATER SERVICE CORPORATION OF KENTUCKY
RESPONSES TO ATTORNEY GENERAL'S SECOND REQUEST FOR INFORMATION

39. Refer to Water Service Kentucky's response to the Attorney General's First Request,

Item 34.

- a. Confirm that based on the above-referenced response, Water Service Kentucky erroneously included higher preventative maintenance and repair costs for Middlesboro hydrants in the pending rate case. If not confirmed, explain in detail why.
- b. Provide the total monetary amount that Water Service Kentucky will reduce its total requested rate increase by due to the preventative maintenance and repair hydrant cost error.

RESPONSE:

- a. Confirmed
- b. The removal of the 2019 Hydrant maintenance erroneously included results in an incremental revenue reduction of approximately \$26,585.

WITNESS:

Perry Brown, Senior Financial Analyst

CASE NO. 2020-00160
WATER SERVICE CORPORATION OF KENTUCKY
RESPONSES TO ATTORNEY GENERAL'S SECOND REQUEST FOR INFORMATION

40. Refer to Water Service Kentucky's response to the Attorney General's First Request, Item 40.

- a. Confirm that Water Service Kentucky has included vehicles in the depreciation expense that have already been fully depreciated. If not confirmed, explain why not.
- b. Explain in detail why Water Service Kentucky believes that fully depreciated vehicles should be included in current customer rates, and provide any and all accounting and legal basis as well as Commission precedent for doing so.
- c. Provide the total monetary amount that should be removed from the requested rate increase associated with the fully depreciated vehicles.
- d. Confirm that Water Service Kentucky has included vehicles in the depreciation expense that will be fully depreciated by the time the new rates go into effect.

RESPONSE:

- a. Confirmed.
- b. The Company should have only included vehicle depreciation for assets that have not been fully depreciated. Please refer to the attached file labeled, "Response to AG DR 2.40 - Vehicles Schedule". The updated revenue require should reflect an annual vehicle depreciation expense of \$13,452.
- c. The removal of the depreciation expense would result in an incremental revenue reduction of \$101,230.

CASE NO. 2020-00160
WATER SERVICE CORPORATION OF KENTUCKY
RESPONSES TO ATTORNEY GENERAL'S SECOND REQUEST FOR INFORMATION

- d. The corrected depreciation expense stated in response to AG request 40 subpart (c) only reflects depreciation for vehicles that will amortizing at the beginning of the suspension period.

WITNESS:

Perry Brown, Senior Financial Analyst

CASE NO. 2020-00160
WATER SERVICE CORPORATION OF KENTUCKY
RESPONSES TO ATTORNEY GENERAL'S SECOND REQUEST FOR INFORMATION

41. Refer to Water Service Kentucky's response to the Attorney General's First Request, Item 42. Confirm that Water Service Kentucky is not planning to refund the additional \$2,111 to the customers that stem from the Tax Cut and Jobs Act Surcredit.

RESPONSE:

Water Service Kentucky is not planning a refund

WITNESS:

Steve Lubertozi

CASE NO. 2020-00160
WATER SERVICE CORPORATION OF KENTUCKY
RESPONSES TO ATTORNEY GENERAL'S SECOND REQUEST FOR INFORMATION

42. Refer to the Direct Testimony of Stephen R. Vaughn, pages 8 -9.

- a. Provide the total costs that Water Service Kentucky has requested in the pending rate case for the Hydrant Assessment and Maintenance Program.
- b. Explain in detail why Water Service Kentucky needs to hire a third-party hydrant service, instead of using its own employees.
- c. Provide any and all complaints, verbal or written, that Water Service Kentucky has received in regards to its hydrants.

RESPONSE:

- a. The Company erroneously included \$37,750 in its original request which includes 2 years of hydrant maintenance for its Middlesboro operations. The Company should have only included \$16,247 for hydrant maintenance for both Clinton and Middlesboro service territories.
- b. Due to normal, everyday operational activities, as well as, maintenance activities, it would be difficult for WSK staff to have time to perform this work. In addition, the third-party company, Roger's Hydrant Service, has many years' experience, inspecting, performing maintenance, and making repairs to hydrants, that would well exceed the knowledge levels, that could be expected from a staff member.
- c. On January 21, 2020, Steve Lubertozi, Justin Kersey, Stephen Vaughn, and a local staff member, were requested to attend a special call city council meeting, in Clinton. During this meeting, the fire hydrants came into question. The city requested more clear communication concerning the hydrants, and requested that

CASE No. 2020-00160
WATER SERVICE CORPORATION OF KENTUCKY
RESPONSES TO ATTORNEY GENERAL'S SECOND REQUEST FOR INFORMATION

more hydrants be installed, and the water mains to be replaced with larger ones,
that would be capable of fire flows.

WITNESS:

Perry Brown