

RESOLUTION NO. 9-2021

RESOLUTION OF THE BOARD OF DIRECTORS OF THE ALPINE SPRINGS COUNTY WATER DISTRICT CLARIFYING THE HEALTH CARE BENEFIT PROGRAM FOR DISTRICT ELIGIBLE EMPLOYEES AND RETIREES AND AMENDING CHAPTER 6 OF THE EMPLOYEE HANDBOOK

WHEREAS, Government Code ("Code") section 22892(a) provides that a contracting agency may elect upon proper application to participate under the Public Employees' Medical and Hospital Care Act ("PEMHCA"), administered by the California Public Employees Retirement System ("CalPERS"), in order to make medical insurance plans offered by CalPERS available to its employees, and retirees that are deemed annuitants as defined in Code section 22760 ("Annuitants"); and

WHEREAS, the Alpine Springs County Water District ("District") is a special district contracting to provide access to medical insurance benefits pursuant to PEMHCA effective February 1, 1989; and

WHEREAS, Code section 22892(a) provides that a local agency contracting under PEMHCA shall fix the amount of the employer's contribution at an amount not less than the amount required under Code Section 22892(b)(1) by resolution adopted by the employer's governing body ("PEMHCA Resolution") with each subsequent PEMHCA Resolution superseding the former to the extent there is a conflict; and

WHEREAS, pursuant to Resolution 12-2014, the District elected to set the employer contribution for each employee and Annuitant at an amount necessary to pay the full cost of his or her enrollment, including enrollment of his or her family members, in a health benefit plan offered by CalPERS pursuant to PEMHCA; and

WHEREAS, on September 9, 2021, CalPERS representatives confirmed that Resolution 12-2014 is the District's current PEMHCA resolution; and

WHEREAS, chapter 6 of the Alpine Springs County Water District Employee Handbook ("Handbook") provides that in order to be eligible for the retiree health benefits to be paid in full by the District on behalf of the eligible retiree and his or her qualified survivors, the eligible retiree had to: (i) be a minimum of 62 years old; (ii) have been employed by the District for a minimum of 20 years; (iii) have qualified to be retired from CalPERS; and (iv) enroll in a medical insurance plan offered by CalPERS pursuant to PEMHCA; and

WHEREAS, District staff recently became aware that the District's retiree health policy documented in the Handbook, as approved by the Board of Directors, does not align with Resolution 12-2014; and

WHEREAS, it was determined that the foregoing discrepancy is attributed to a misunderstanding on the application and scope of PEMHCA.

WHEREAS, the Board now wishes to align its PEMHCA resolution with District policy; and

WHEREAS, in accordance with the foregoing, the Board has adopted Resolution No. 8-2021 pursuant to which, effective January 1, 2022, the District agrees to pay the minimum employer contribution required by Code section 22892(b) ("Minimum Employer Contribution"), set at \$149 per month for 2022 and adjusted on an annual basis by CalPERS, on behalf of each employee and Annuitant of the District who enrolls in a medical insurance plan offered by CalPERS; and

WHEREAS, Resolution No. 8-2021 supersedes Resolution 12-2014 in its entirety; and

WHEREAS, the Board wishes to amend Chapter 6 of the Handbook to clarify the District's policy pertaining to the District paid health benefits available for employees and eligible retirees.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Alpine Springs County Water District as follows:

SECTION 1. Recitals. The Board of Directors of the Alpine Springs County Water District hereby finds that the foregoing recitals are true and correct and are incorporated herein as substantive findings of this Resolution.

SECTION 2. Repeal of Resolution 12-2014. The Board of Directors hereby repeals Resolution 12-2014, and any other resolution covering health benefits, except for Resolution No. 8-2021, in their entirety.

SECTION 3. Amendment of Chapter 6 of Handbook. The Board of Directors hereby adopts Amendment No. 1 to the Handbook, amending Chapter 6 "Benefits, Leaves, and Holidays", as heretofore considered and discussed, in the form attached hereto at Exhibit "A" and incorporated herein by this reference.

SECTION 4. Effective Date. This Resolution shall take effect on January 1, 2022.

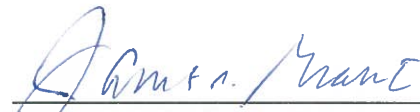
PASSED, APPROVED, AND ADOPTED at a regular meeting of the Board of Directors of the Alpine Springs County Water District, California, on the 8th day of October, 2021, by the following vote:

AYES: GRANT, YORK, GANONG, SMELSER, SALKE

NOES: NONE

ABSTAIN: NONE

ABSENT: NONE



JANET GRANT, President
Board of Directors

ATTEST:



JOE MUELLER, General Manager
Secretary to the Board of Directors



Exhibit A

AMENDMENT NO. 1
TO
EMPLOYEE HANDBOOK OF THE
ALPINE SPRINGS COUNTY WATER DISTRICT

RECITALS

1. The Alpine Springs County Water District (“District”) adopted the Employee Handbook of the Alpine Springs County Water District (“Handbook”) on or around January 2004, which was last amended on February 14, 2020.

2. It is necessary to amend the Handbook as further specified herein in order to memorialize the health insurance benefits made available to the District’s eligible employees and retirees.

AMENDMENT

NOW, THEREFORE, effective January 1, 2022, the District hereby amends the Handbook as follows:

- A. Chapter 6, Discretionary Benefits, Insurance Benefits of the Handbook is hereby amended in its entirety as follows:

“Insurance Benefits”

The District provides the following types of insurance for eligible employees (i.e., regular full-time and regular part-time employees who have successfully completed their introductory period). Details of insurance plans and coverages are on file in the District office and are available from the General Manager.

Medical Insurance

The District contracts with the California Public Employees’ Retirement System (“CalPERS”) to make available medical insurance coverage pursuant to the Public Employees’ Medical and Hospital Care Act (“PEMHCA”) to eligible employees and retirees as further specified below.

- A. **Benefits During Employment.**

The District shall make available to each eligible employee, subject to the proration referenced in the section titled Proration and Cost Sharing of Benefits of Chapter 6, a monthly contribution equal to the average cost of premiums for the PERS Gold and PERS Platinum plans in Region 1 (“Health Benefit Contribution”) to be used towards the payment of

Exhibit A

the premium of any CalPERS medical insurance plan. Any excess of the Health Benefit Contribution over the premium of any CalPERS medical insurance plan in which an eligible employee has enrolled shall be contributed on behalf of said employee to a health reimbursement arrangement to be established by the District for the reimbursement of eligible medical expenses. Any premium for a CalPERS medical insurance plan in which an eligible employee enrolls that is in excess of the Health Benefit Contribution shall be the sole obligation of the eligible employee.

A portion of the Health Benefit Contribution shall be designated as the District's contribution towards medical coverage under the PEMHCA. The amount shall be determined pursuant to Section 22892(b) of the California Government Code in accordance with the District's resolution on file with CalPERS. This amount shall not be subject to proration.

B. Post-Employment Benefits.

1. District Employees Retired Prior to January 1, 2022.

District employees that retired prior to January 1, 2022 and qualify as annuitants ("Tier 1 Retiree"), as defined in Government Code Section 22760 ("Annuitants"), shall be eligible for a retiree health benefit equal to the premium for the PERS Gold plan to be used towards the payment of the premium of any CalPERS medical insurance plan in which the Tier 1 Retiree, including coverage for eligible family members, enrolls ("Tier 1 Allowance"). The Tier 1 Allowance will be paid as follows:

(a) An amount equal to the minimum employer contribution required by Government Code Section 22892(b) ("Minimum Employer Contribution") shall be paid directly to CalPERS by the District pursuant to Resolution No. 8-2021; and

(b) An additional amount not to exceed the difference between the Tier 1 Allowance and the Minimum Employer Contribution, but not to exceed the remaining cost of the CalPERS medical insurance plan in which the Tier 1 Retiree has enrolled, shall be reimbursed to the Tier 1 Retiree on a nontaxable basis pursuant to a health reimbursement arrangement adopted by the District.

Dental Insurance

The District provides and funds the cost of a dental plan for eligible employees.

Exhibit A

Accidental Death and Dismemberment Insurance Plan

The District makes available a separate accidental death and dismemberment insurance plan intended to serve as a supplement to the basic life insurance benefits for eligible employees. The cost for basic employee coverage is paid by the District. If an employee opts for a higher level of coverage or opts to extend coverage to any eligible dependents, then the employee will be responsible for paying those portions of optional increased coverage.

Long-Term Disability Plan

As a means of income protection for regular full-time and regular part-time employees, the District offers eligible employees a group long-term disability plan whereby employees who become totally disabled due to an injury or illness can receive up to sixty percent (60%) of their normal monthly gross earnings up to age sixty-five (65). To receive benefit payments under this plan, the eligible employee may be required to provide proof by medical certification of the total and/or continuing disability to the plan carrier. Benefits become effective after thirty (30) days of total disability, during which time employees may use accrued personal leave, or make application for State Disability Insurance benefits.

Life Insurance Plan

The District provides life insurance to its regular full-time and regular part-time employees. Employees who do not enroll at the time they are eligible may be required to supply a statement of health to the insurance provider.

Vision Plan

The District provides coverage up to a maximum dollar amount annually for eye examinations and eyewear.

Retirement Plans (Principal Money Purchase Plan)

The District has entered into a contract with CalPERS for retirement benefits. The retirement plan is known as 2% at age 62 Full. An employee of the District is eligible for retirement upon reaching the age of 62. Employees shall contribute from their pensionable compensation an amount equal to 50% of the normal cost attributable to the 2% at age 62 retirement plan

Exhibit A

pursuant to Government Code Section 7522.30(c). This amount shall be determined on an annual basis by CalPERS. After vesting five (5) years and reaching the age of 62 an employee is eligible for retirement. The retirement benefit will be in accordance with CalPERS calculations. In general, the yearly retirement benefit will be determined by taking the number of years, or portion of a year, multiplied by 2%, multiplied by the average of the three highest year's salary."

B. The section titled Post Retirement Medical Insurance Plan located under Chapter 6, Discretionary Benefits, Insurance Benefits of the Handbook is hereby deleted its entirety.

C. All other sections of Chapter 6 of the Handbook not specifically addressed in this Amendment shall remain unchanged.

IN WITNESS WHEREOF, the District has caused this Amendment to be executed on October 8th, 2021.

DISTRICT:

ALPINE SPRINGS COUNTY WATER DISTRICT

By: 

JOE MUELLER, General Manager

