

RESOLUTION NO. 10-2022

RESOLUTION OF THE BOARD OF DIRECTORS OF THE ALPINE SPRINGS COUNTY WATER DISTRICT CLARIFYING THE POST RETIREMENT MEDICAL INSURANCE BENEFIT 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, 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, 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 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, the Board wishes to amend Chapter 6 of the Handbook to include two annuitant Tiers (Tier 1 and Tier 2), and

WHEREAS, establish a benefit reduction and cost share for retirement before the minimum age 62, and

WHEREAS the Tier 2 annuitant allowance shall be set at the individual only subscriber Gold Plan rate, to age 65, at age 65 the allowance shall be set at the PEMHCA Minimum Employer Contribution.

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. Amendment of Chapter 6 of Employee Handbook. The Board of Directors hereby adopts Amendment No. 7-8-22 to the Employee 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 July 15, 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 July, 2022, by the following vote:

AYES: GRANT, SALKE, GANONG, SMELSER, YORK

NOES: NONE

ABSTAIN: NONE

ABSENT: none



JANET GRANT, President

ATTEST:



JOE MUELLER, General Manager
Secretary to the Board of Directors



AMENDMENT NO. 7-8-22
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 January 1, 2022.
2. It is necessary to amend the Handbook as further specified herein in order to memorialize the employee commuting expense benefit made available to the District’s eligible employees.
3. It is necessary to amend the Handbook as further specified herein in order to memorialize the post retirement medical insurance benefits made available to the District’s eligible employees and retirees.

AMENDMENT

NOW, THEREFORE, effective July 15, 2022, the District hereby amends the Handbook as follows:

- A. Chapter 5, Compensation and Payroll Practices of the Handbook is hereby amended in its entirety to include as follows:

“Commuting Expense”

The District provides the following commuting expense benefit for eligible employees (i.e., regular full-time and regular part-time employees who have successfully completed their introductory period). Commuting expenses compensation will be paid at a rate based on the physical address of the District and the employee’s physical address. Compensation is as follows: Travel distance in excess of 10 miles \$100 per month, Travel distance in excess of 20 miles \$200 per month, Travel distance in excess of 30 miles \$300 per month.

- B. All other sections of Chapter 5 of the Handbook not specifically addressed in this Amendment shall remain unchanged.

- C. Chapter 6, Discretionary Benefits, Insurance Benefits of the Handbook is hereby

Exhibit A

amended in its entirety as follows:

“Insurance Benefits”

The District provides the following types of insurance for eligible employees. 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 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 Hired Prior to July 1, 2022.

District employees hired prior to July 1, 2022 and with at least twenty (20) years of continuous service as a regular, full-time District employee and qualify as Annuitants (“Tier 1 Retirees”) shall be eligible for a full retiree health benefit at age 62 equal to the premium for the PERS Gold

Exhibit A

plan including eligible family members plan rate (“Tier 1 Allowance”) 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. The allowance will be tiered if the annuitant retires after 20 years of continuous service but before age 62. The tiered formula will be based on the number of years earlier than 62 and will split the benefit cost proportionally each year until the full benefit is obtained at age 62. Example below is based on four years early.

Four Years to age 62	Retiree Contribution	ASCWD Contribution
First Year	80%	20%
Second Year	60%	40%
Third Year	40%	60%
Fourth Year	20%	80%
Age 62	0%	100%

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, minus any Retiree contribution for early retirement, shall be reimbursed to the Tier 1 Retiree on a nontaxable basis pursuant to a health reimbursement arrangement adopted by the District.

2. District Employees Hired After to July 1, 2022.

District employees that were hired after July 1, 2022 that retire from District service with at least twenty (20) years of continuous service as a regular, full-time District employee and qualify as Annuitants (“Tier 2 Retirees”) shall be eligible for a full retiree health benefit at age 62 to age 65 equal to the premium for the PERS Gold individual subscriber plan to be used towards the

Exhibit A

payment of the premium of any CalPERS medical insurance plan in which the Tier 2 Retiree, enrolls (“Tier 2 Allowance”). The allowance will be tiered if the annuitant retires after 20 years of continuous service but before age 62. The tiered formula will be based on the number of years earlier than 62 and will split the benefit cost proportionally each year until the full benefit is obtained at age 62. Example below is based on four years early.

Four Years to age 62	Retiree Contribution	ASCWD Contribution
First Year	80%	20%
Second Year	60%	40%
Third Year	40%	60%
Fourth Year	20%	80%
Age 62	0%	100%

The Tier 2 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 2 Allowance (Individual only subscriber Gold plan) and the Minimum Employer Contribution, but not to exceed the remaining cost of the CalPERS medical insurance plan in which the Tier 2 Retiree has enrolled, minus any Retiree contribution for early retirement, shall be reimbursed to the Tier 2 Retiree on a nontaxable basis pursuant to a health reimbursement arrangement adopted by the District.

(c) At age 65 Retiree post employment health benefits shall be limited to an amount equal to the minimum employer contribution required by Government Code Section 22892(b) (“Minimum Employer Contribution”) pursuant to Resolution No. 8-2021.

Vision Plan

Exhibit A

A vision benefit is no longer called out and will be removed from the Manual.

D. 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 July 8th, 2022.

DISTRICT:

ALPINE SPRINGS COUNTY WATER DISTRICT

By:



JOE MUELLER, General Manager