RESOLUTION 2026-20

APPROVING PHWD PERSONNEL MANUAL AMENDMENTS

PURISSIMA HILLS WATER DISTRICT

WHEREAS, Purissima Hills Water District (District) provides employee healthcare benefits, including medical, dental, vision, and life insurance, which monthly premiums are covered 100% by the PHWD for employees and their eligible dependents per its existing personnel policy contained within an Employee Handbook dated March 2016; and

WHEREAS, the District plans to transition to the ACWA JPIA Healthcare Benefits Program, effective January 1, 2027, for all employees; and

WHEREAS, related amendments are necessary to the PHWD's Personnel Manual to ensure compliance with provisions for membership in the ACWA JPIA Healthcare Benefits Program, which were approved last month (July 8, 2026) by the Board in general terms within Resolution 2026-15 but restated in full as follows:

SECTION 1.03 CATEGORIES OF EMPLOYMENT

Currently reads:

Section 1.03 CATEGORIES OF EMPLOYMENT

A. General. The District has two categories of general employment: new employees and regular employees. New employees serve an initial introductory period of six months' duration. During that time, the District and the employee each evaluate on a regular basis the suitability of the employee for District employment. During the introductory period, an employee may be discharged by the District for any reason and without advance notice. Similarly, the employee may resign employment for any reason without advance notice during this period.

At the end of the six-month introductory period, a new employee may be offered employment on a regular status basis by the District if, in the District's sole determination, the employee has demonstrated the ability, aptitude, and willingness to perform the duties assigned. If the District determines the employee has not made such a demonstration, the employee will not be offered further employment. In certain circumstances, with the approval of the General Manager, the six-month introductory period may be extended. During the six-month introductory period, new employees shall be permitted to accrue and use both vacation time and sick leave, in accordance with the rules set forth below.

Amend to add the following language to Section 1.03(A):

As described in this manual, full-time regular employees are defined as at-will employees who have successfully completed their introductory period and are assigned a definite work schedule of 40 hours per week and their employment is expected to continue for an indefinite period of time. Full-time regular employees are eligible for employee benefits as described later in the manual.

SECTION III – EMPLOYEE BENEFITS

Add introductory language (that currently does not exist) to Section III – EMPLOYEE BENEFITS

3.0 Introduction

The PHWD has developed a broad, comprehensive set of employee benefit programs to supplement regular wages. The PHWD is continually investigating opportunities to improve its benefits within budget constraints.

The employee benefit programs consist of two (2) categories: insured and uninsured. Insured benefits are those that the PHWD pays for through an outside source, e.g., medical, dental, vision, life, and disability insurance.

Examples of uninsured benefits include vacation, sick, and holiday pay. These are benefits directly paid by the PHWD and are available to employees with conditions and specifications as outlined in the Personnel Manual.

SECTION 3.05 INSURANCE BENEFITS

Currently reads:

Section 3.05 INSURANCE BENEFITS

B. Health Insurance. The District presently offers group medical, hospital, dental and life insurance plans. The District pays the premium for the employee and dependents (where the dependent is otherwise eligible). Employees are urged to speak with the District Secretary or contact their insurance carriers directly for details. Forms are available in the District office.

Replace Section 3.05(b) in its entirety with the following:

Section 3.05 EMPLOYEE BENEFITS

Group Insurance Plans

The PHWD provides group medical, dental, vision, life, and EAP (Employee Assistance Program) insurance at no cost to eligible employees and their eligible dependents. Short- and long-term disability insurance plans are provided for regular full-time employees.

Eligible employees are defined as full-time regular employees.

Eligible dependent is defined as the following:

- Spouse;
- Children to their 26th birthday, including step-children and children placed in the home for adoption;
- Unmarried children who were enrolled before age 26 and are incapable of self-sustaining employment due to physical or mental condition. A physician must certify in writing of this condition.
- Children eligible for coverage as a result of a valid qualified medical child support order.
- Grandchildren who meet the requirements listed on a dependent grandchild affidavit, including shared residence, parenting responsibilities, financial responsibilities, and claiming the grandchildren on income tax returns.
- Domestic partnership as defined by the State of California for state registration requirements.
- Those designated according to law.

For a dependent to be eligible for coverage, a copy of a marriage license, State of California Declaration of Domestic Partnership form (NP/SF DP-1), birth certificate, or other certifying identification documentation is required. Under current federal tax laws, the value of providing the above listed benefits to registered domestic partners is taxable to the PHWD employee.

It is the employee's responsibility to notify the PHWD in writing upon divorce, termination of domestic partnership, over-age dependent, or any event that changes the status of dependency.

Benefit Changes

A benefits eligible employee may change their benefit elections during annual Open Enrollment in the fall each year. Election changes will be effective January 1st of the next calendar year. Otherwise, changes to benefit elections may not be made unless the employee experiences a qualifying life event.

Employees have thirty (30) calendar days from the effective date of the coverage change to provide documentation of the qualifying event. Dependent verification documents such as a marriage license for spouse or a birth certificate for a child must be provided for newly enrolled dependents. Coverage will not be effective until the required documentation has been provided to the PHWD. If an employee does not provide the proper documentation and complete the enrollment before the deadline, their next opportunity to make changes to their benefits will be during Open Enrollment with an effective date of January 1st of the next calendar year.

Medical Plan

Persons Eligible: Regular full-time employees and their eligible dependents.

Waiting Period: First day of the month following the date of hire.

Employee Contribution: None.

Employer Contribution: Total cost for employee and eligible dependents.

Benefits Provided: Anthem and Kaiser plans.

Health Savings Account

In early January of each year, the PWHD will deposit monies into the Health Savings Account (HSA) for each eligible participant enrolled in the Consumer Driven Health Plan (CDHP) in an amount equal to the annual out-of-pocket deductible for the Anthem CDHP or Kaiser CDHP plan.

New enrollments during the calendar year for employees and/or eligible dependents will result in a prorated employer contribution to the eligible participant's HSA.

Recipients must be eligible to contribute to an HSA in order to receive the employer contribution. Due to IRS restrictions, those enrolled in Medicare may not contribute to an HSA.

Dental Plan

Persons Eligible: Regular full-time employees and their eligible dependents.

Waiting Period: First day of the month following the date of hire.

Employee Contribution: None.

Employer Contribution: Total cost for employee and eligible dependents.

Benefits Provided: Delta Dental plan.

Vision Plan
Persons Eligible: Regular full-time employees and their eligible dependents.

Waiting Period: First day of the month following the date of hire.

Employee Contribution: None.

Employer Contribution: Total cost for employee and eligible dependents.

Benefits Provided: VSP plan.

Life Insurance
Persons Eligible: Regular full-time active employees and their eligible dependents.

Waiting Period: First day of the month following the date of hire.

Employee Contribution: None. Supplemental coverage, including dependents, is optional and at the employee's expense.

Employer Contribution: Total cost for employee.

Provider: As provided by the PHWD.

Benefits Provided: Up to two (2) times annual regular base pay to a maximum of $200,000 payable to employee's designated beneficiary(ies). Employees who purchase additional supplemental life insurance are bound to the same maximum as the base coverage.

Short-Term Disability
Persons Eligible: Regular full-time employees.

Waiting Period: First day of the month following the date of hire.

Employee Contribution: None.

Employer Contribution: Total cost for employee.

Benefits Provided: Short-term disability insurance provides employee with income protection if they become temporarily totally disabled from a covered illness, accident, or pregnancy. The waiting period is 14 days from disability; accumulated sick leave may be used during this time. The maximum benefit is 11 weeks. These benefits are taxable and any overpayment of benefits will require reimbursement.

See next section regarding long-term disability for continued coverage.

Long-Term Disability
Persons Eligible: Regular full-time employees.

Waiting Period: First day of the month following the date of hire.

Employee Contribution: None.

Employer Contribution: Total cost for employee.

Benefits Provided: Long-term disability insurance provides employee with income protection after the short-term disability insurance ends, subject to policy requirements. These benefits are taxable and any overpayment of benefits will require reimbursement. Long-term disability benefits are restrictive to income from other sources. Check policy for further information.

Employee Assistance Program (EAP)
Persons Eligible: Regular full-time employees and their eligible dependents.

Waiting Period: First day of the month following the date of hire.

Employee Contribution: None.

Employer Contribution: Total cost for employee and eligible dependents.

Benefits Provided: Confidential professional assistance when personal problems impact an employee's life and work. The program provides information, consultation, and counseling for employees and their eligible dependents, and offers training and consultation to management.

The EAP encourages employees to utilize services early in the progression of a personal problem before situations significantly impact work. The program also includes services related to alcohol and drug dependency, family violence, and threats of suicide or self-harm.

***NEW* – SECTION 3.07 RETIREE HEALTHCARE BENEFITS**
Retiree Healthcare Benefits Policy
Approved by the Board of Directors at its regular meeting on July 8, 2026, via Resolution 2026-15.

POLICY STATEMENT
A key organizational goal for the PHWD is the recruitment of top talent and retention of valued staff. The creation of a Retiree Healthcare Benefits Plan will assist in attracting and maintaining a high-quality and productive workforce.

DEFINITION
The Retiree Healthcare Benefits Plan provides medical, dental, and vision insurance coverage in retirement for employees who meet certain eligibility criteria. As part of the Retiree Healthcare Benefits Plan, eligible retirees are permitted to remain enrolled in their pre-retirement medical, dental and vision insurance plans after retirement. In addition, PHWD will make payment toward the cost of single-only benefits premiums ranging from 50% to 100% of the premium based on the retiree's age at retirement and years of service with the PHWD. The medical plan benefit converts to a Medicare Advantage Plan once an employee becomes Medicare eligible.

PURPOSE
The Policy for Retiree Healthcare Benefits is designed to provide administrative guidance for the management of the Retiree Healthcare Benefits Plan.

1. ***Participation in the Retiree Healthcare Benefits Plan***
   A. All regular full-time employees are eligible for participation in the PHWD's Retiree Healthcare Benefits Plan from the time they retire until their death after the following requirements are met:

      1. Minimum age of sixty (60) years; and

      2. Minimum of five (5) years of regular full-time service with the PHWD; and

      3. Retirement under CalPERS directly from active employment with the PHWD.

   B. The following eligibility criteria, and benefits payment schedule, will be followed:

POINTS COMBINATION OF AGE AT RETIREMENT PLUS CREDITED YEARS OF SERVICE AT THE PHWD	*EQUALS*	*PHWD'S PERCENTAGE OF BENEFITS PREMIUM PAYMENT*
65	=	50%
66	=	55%
67	=	60%
68	=	65%
69	=	70%
70	=	75%
71	=	80%
72	=	85%
73	=	90%
74	=	95%
75+	=	100%

For example, the combination of the minimum age of sixty (60) years plus minimum five (5) years of service with the PHWD equals 65 points, which would make the employee eligible for 50% of their healthcare benefits to be paid for by the PHWD upon retirement from the PHWD. Each additional year of service with the PHWD adds a five percent (5%) incremental increase to the benefits' premium payment until the combination of age and PHWD service reaches a maximum of 75 points, at which time an employee would be eligible for 100 percent (100%) of their benefits being paid for by the PHWD upon retirement from the PHWD.

   C. Credited years of service means all periods of full-time regular employment with the PHWD, subject to the following:
      i. Any period of authorized paid leave of absence while a PHWD employee and any leave for military service while an employee will count as service, but only if the employee returns to active employment with the PHWD within the time prescribed by the

approved leave during which time the employee's re-employment rights are protected by law.

ii. Years of service at CalPERS or other California public retirement systems that provide reciprocal retirement benefits are not included in the calculation of credited service years for retiree healthcare calculations for employees.

iii. Any periods of service for the PHWD in any capacity other than an employee will not be counted as service.

D. Only employees that retire from CalPERS directly from the PHWD and meet the age and years of service requirements will be eligible for retiree healthcare coverage. Spouses, registered partners, and/or age-eligible dependents are not eligible.

E. If an employee does not meet the criteria set forth in this policy, the employee may exercise any COBRA (Consolidated Omnibus Budget Reconciliation Act) rights they are entitled to, at their own expense.

2. ***Retiree Benefits***

A. The Retiree Healthcare Benefits Plan is designed to allow employees to retain the same level of healthcare benefits coverage in retirement as was available to them immediately before retiring from PHWD. During the open enrollment period that occurs prior to retirement, employees planning to retire must enroll in the healthcare plan into which they will retire. Changes to the selected healthcare plan cannot be made at a later date.

B. The medical plan option in force at the time of the eligible employee's retirement will be in force for the duration of their participation in the Retiree Healthcare Benefit Plan. After retirement, retirees will not be offered the right to change plans during annual Open Enrollment.

3. ***No Lapse in Coverage***

There can be no lapse in coverage between loss of active employee benefit coverage and the date retiree benefits begin. Employee must transfer from active status directly to retired status. If coverage for a retiree terminates for any reason, or at any time a retiree is removed from coverage, they will not be eligible to re-enroll.

4. ***Medicare Eligibility***

Medicare-eligible retirees must enroll in Medicare Parts A and B on the first date they become eligible for such coverage. Upon becoming Medicare eligible at age 65, medical plan benefits under this Retiree Healthcare Benefits Plan will convert to a Medicare Advantage Plan.

5. ***Reinstatement***

If a former employee receiving District-provided retiree healthcare benefits is re-employed by the PHWD, then such benefits will cease for as long as they are eligible to receive healthcare insurance coverage under the PHWD's group insurance plan(s) for active full-time regular employees. Retiree healthcare benefits will resume after their employment with the PHWD terminates, provided they directly retire under CalPERS from the PHWD.

6. ***No Vested Rights***
There is no vested right to retiree healthcare benefits. PHWD may at any time, in its sole discretion, modify or terminate its retiree healthcare benefits plan. To the extent that the PHWD makes modifications to or terminates the plan, such modifications or termination will supersede and override any claim to "vested rights" that any person may otherwise have under California law with respect to benefits under the plan.

NEW – SECTION 3.08 COBRA

The Consolidated Omnibus Benefits Reconciliation Act of 1985 (COBRA) was enacted to protect employees and their eligible dependents by allowing them to continue at their expense their group health insurance under the employer's plan at affordable group rates. Employees are notified at hiring of their rights under the federal law and it is the employee's responsibility to notify the PHWD of any qualifying event (defined below) within 60 days of the event.

Specifics of COBRA include:
Qualifications: Any employee or eligible dependent who loses regular group coverage because of a qualifying event is eligible for enrollment under COBRA.

Qualifying Event: Defined by COBRA regulations and includes loss of coverage due to separation from employment, reduction of hours, death of employee, employee's Medicare entitlement, divorce or legal separation, dependent child ceasing to be eligible, or bankruptcy of employer. It is the employee's or eligible dependent's responsibility to inform the PHWD within 60 days of a qualifying event or eligibility for COBRA could be jeopardized.

Selection Period: After notification to the PHWD, the PHWD will send written notification to the employee or eligible dependent of their right to elect continued coverage, the election period, and premium payments.

Cost: The employee or eligible dependent must pay the full monthly premium for each coverage selected plus a 5% administrative charge to the PHWD before the first day of each month that the premium(s) is due.

Coverage Available: At the time of the qualifying event, whichever insurance plan(s) the employee or eligible dependent is enrolled in (medical, dental, vision and EAP) will be considered available coverages.

Open Enrollment: COBRA participants have the same rights under the plan as active employees. This includes rights during Open Enrollment periods. When an Open Enrollment period occurs, COBRA participants must be informed of the options available and monthly premium rates for those options.

There can be no interruption of coverage under COBRA.

COBRA participants that have defaulted more than 30 days on their premium payment(s) will be eliminated from the plan(s) and will not be permitted to re-enroll.

Cal-COBRA: If the COBRA participant has exhausted their federal COBRA coverage and was entitled to less than 36 months of coverage, then the employee may choose additional continuation coverage under Cal-COBRA up to 18 months. Cal-COBRA participants have the same rights and responsibilities as federal COBRA participants identified above.

WHEREAS, the Retiree Healthcare Benefits Policy was also approved last month on July 8, 2026, by the Board and is included herein for inclusion in the PHWD Personnel Manual; and

WHEREAS, all amendments for the PHWD Personnel Manual are effective January 1, 2027.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors for the Purissima Hills Water District that the Personnel Manual amendments hereinabove are approved as stated, and effective January 1, 2027.

REGULARLY PASSED on this 12th day of August 2026, by the following votes:

AYES: Directors Holtz, Jordan, Stone, Ranganthan, and Glassman.

NOES:

ABSTENTIONS:

ABSENCES:

Board President
Purissima Hills Water District

ATTEST:

District Secretary