

## COMPREHENSIVE FAMILY-ORIENTED BENEFITS

Successful employees are key to the success of Park Water Company (PWC). A comprehensive benefits package is fundamental to the satisfaction of all successful employees. To meet their personal needs, PWC offers the following benefits to all full-time employees who are regularly scheduled to work 30 hours or more per week.

- Medical (PPO or HMO Plan)
- Dental (PDP Plan)
- Employee Assistance Program (EAP)
- Life and Accidental Death & Dismemberment (AD&D)
- Long-Term Disability (LTD)
- Vision Plan
- Wellness Program
- Supplemental Life Insurance
- Voluntary Accidental Death & Dismemberment (AD&D)
- Educational Assistance Program
- Business Travel Accident (BTA) Plan
- Section 125 Premium & Spending Accounts
- 401(k) Savings Plan
- Jury Duty
- Paid Time Off (PTO)
- Catastrophic Illness Reserve (CAT)
- Bereavement Leave
- Defined Benefit Retirement Plan
- Paid Holidays
- Non-elective Employer Contribution (NEC (if hired after 05/02/05)
- Section 529 Plan

Medical, dental, vision, and post retirement benefits are available to eligible employees and their dependents. PWC and employees share in the cost of coverage.

Supplemental Life and Voluntary Accidental Death and Dismemberment (AD&D) Plans and the Section 529 Plan are payroll deducted and paid 100% by the employee.

All other benefit coverages are provided by PWC at no cost to employees.

You are eligible for coverage on the first of the month following your date of hire, unless otherwise noted.

**MEDICAL (PPO or HMO Plan)** PWC offers a choice of medical plans including a Preferred Provider Organization (PPO) or Health Maintenance Organization (HMO). All medical plans are offered through Anthem Blue Cross. For more information, please see the Evidence of Coverage (EOC) document for each medical plan.

**DENTAL (PDP Plan)** PWC offers a Preferred Dental Plan (PDP) through Metropolitan Life Insurance Company (MetLife).

**EMPLOYEE ASSISTANCE PROGRAM (EAP)** PWC has contracted with Empathia Pacific, Inc. to provide professional confidential consultation, information, and referrals on those issues that may affect your personal, family, or work life. The toll-free telephone number is staffed by counselors 24 hours a day, seven days a week.

**LIFE and AD&D** PWC provides term life and AD&D coverage to all eligible employees through MetLife. Your benefit in each coverage is equal to one and a half times your annual salary, rounded up to the nearest \$1,000, subject to a \$50,000 minimum and a \$500,000 maximum. The guaranteed issue amount for employees is \$300,000. Any amount in excess of \$300,000 will require Evidence of Insurability to be completed.

**LONG-TERM DISABILITY (LTD)** PWC provides LTD coverage through MetLife. Full-time employees are eligible on the first of the month coincident with or next following the completion of 90 days of continuous employment. After 180-days of disability, the plan replaces 60% of your monthly salary, subject to a maximum monthly benefit of \$15,000. This benefit integrates with certain other sources of income. Benefits are payable to age 65 as long as you remain totally disabled from any occupation. Special rules apply to employees who are age 65 or older when disabled.

**VISION PLAN** PWC provides vision coverage through Vision Service Plan (VSP). Employees who elect medical coverage will be automatically covered for vision benefits. Examinations by a VSP provider will be covered 100% every plan year (1/1 – 12/31) after a \$20 copay. Frames and lenses purchased through a VSP provider are covered up to \$130 every plan year after a \$20 copay. Non-VSP providers are covered up to a specified dollar allowance. Please refer to the VSP material for details.

**WELLNESS PROGRAM** PWC offers a comprehensive wellness program through beBetter Health which provides elements that will allow employees to develop healthier lifestyles. Resources are available on-line in the form of assessments, challenges, seminars, and surveys.

**SUPPLEMENTAL LIFE INSURANCE** PWC offers Supplemental Life Insurance coverage for you and your family through The Hartford. The cost of the insurance is based on age; premiums will be on a payroll deduction basis. Employees may apply for 1 to 5 times their base annual earnings to the lesser of 5x annual salary or \$500,000; spouses or registered domestic partners may apply for coverage in \$5,000 increments up to the lesser of \$150,000 or 50% of the employee face amount; children may apply for \$2,000, \$5,000, \$10,000, or \$20,000 of coverage. The policy guarantees issue for employees to

the lesser of 3x annual salary or \$100,000; for spouses to \$20,000; and for dependent children to \$10,000 if applications are submitted when first eligible.

**VOLUNTARY AD&D** PWC offers Voluntary AD&D insurance for you and your family through The Hartford. Employees may apply for 1 to 5 times annual salary to a maximum of \$500,000. If the family plan is elected, the amount of insurance applicable to family members is expressed as a percentage of the amount the employee selects for himself or herself. Please refer to the Voluntary AD&D information from The Hartford.

**EDUCATIONAL ASSISTANCE PROGRAM** PWC designed this program to help employees improve their job skills and acquire the skills and knowledge that will contribute to professional development and advancement within the Company. PWC will reimburse the employee for tuition, textbooks, registration, and laboratory fees. Curriculum MUST BE APPROVED in writing by appropriate Manager or Business Unit supervisor prior to enrollment. You are eligible for this plan after the completion of your orientation period.

**BUSINESS TRAVEL ACCIDENT PLAN (BTA)** PWC provides a 24-hour business and pleasure travel accident plan. Regular full-time employees are covered for \$100,000; aggregate limit of the policy is \$500,000. Benefits will be paid to the employee's named beneficiary.

**SECTION 125 PLAN** PWC provides three types of programs that permit payment of certain personal expenses on a pre-tax basis:

- Pre-Tax Premium Plan
- Health Care Account
- Dependent Care Account

You may defer a minimum of \$100 to a maximum of \$5,000 per year in your dependent care account and to a maximum of \$2,500 per year in your health care account.

**401(K)** PWC offers a 401(k) Savings Plan through Fidelity Investments that allows you to defer a percentage or a flat amount of your earnings not to exceed the maximum contribution amount established annually by the IRS into a tax-deferred savings account.

You are eligible to participate in the plan upon date of hire as long as you are at least 21 years of age and meet the eligibility requirements. If you are not 21, you will be eligible upon attainment of age 21.

PWC may match your contributions. Contributions are equal to a percentage of the elective contributions made

by the participants. The decision to make matching contributions and the amount of such contributions will be made each year by the Company. Each participant may direct earnings into a variety of investment funds, with the option to change investment elections as often as permitted by the Plan.

A benefit has been created for eligible employees hired after 5/02/05 as those employees are not eligible for Post-Retirement Benefits under the Company's other plans. This benefit is a Non-elective Employer Contribution (NEC) that may be made annually to the 401(k) Plan at the discretion of the Board of Directors, and allocated among the accounts of eligible participants.

**JURY DUTY** When a regular full-time employee is summoned for jury duty, they will be excused from work. PWC will pay the employee the difference between their straight-time base wages and the amount the employee is compensated by the court for the service rendered for up to a maximum of 10 work days per jury duty instance, but normally only one instance of jury duty every 36 months.

**PAID TIME OFF (PTO)** PTO provides regular full-time employees (exempt and non-exempt) with an entitlement of days away from work with pay. PTO does not include Company holidays, CAT, jury duty, or bereavement leave.

Full-time regular employees accrue PTO in the following manner:

During the portion of the calendar year in which an employee is hired and during the succeeding four calendar years, PTO shall accrue at a rate equivalent to 128 hours per year for non-exempt employees and 16 days per year for exempt employees.\*

Upon completion of a minimum of four continuous calendar years and through completion of the ninth continuous calendar year, PTO shall accrue at a rate equivalent to 168 hours per year for non-exempt employees and 21 days per year for exempt employees.\* Upon completion of a minimum of nine continuous calendar years and through completion of the 19th continuous calendar year, PTO shall accrue at a rate equivalent to 208 hours per year for non-exempt employees and 26 days per year for exempt employees.\*

Upon completion of a minimum of 19 continuous calendar years and for the balance of an individual's employment with the Company, PTO shall accrue at a rate equivalent to 248 hours per year for non-exempt employees and 31 days per year for exempt employees.\*

\*Days per year assume a five-day/eight-hours-a-day work schedule and would be adjusted for a four-day/10-hours-a-day work schedule.

All regular part-time employees will adhere to the same policy rules and conditions as a regular full-time employee except that PTO will be accrued on a pro-rata basis according to the scheduled number of hours worked during each pay period. Part-time employees are those employees who are regularly scheduled to work less than 30 hours per week.

**CATASTROPHIC ILLNESS RESERVE (CAT)** In addition to PTO, employees shall accrue an additional 32 hours a year for an extended or catastrophic illness reserve (CAT). These are days at 100% of pay that may be used when an employee is absent more than five consecutive days due to illness or injury and provides a doctor's verification of disability. In these cases, the first five days may be drawn from PTO or taken without pay and the qualifying days beyond that are drawn from the CAT reserve.

**BEREAVEMENT LEAVE** Management must approve bereavement leave. The maximum time off with pay will not exceed 24 hours (3 days), although more time may be granted as PTO or time without pay. Paid bereavement leave shall be considered only upon the loss of an immediate family member (please see Company Policy for specific covered family members).

**DEFINED BENEFIT RETIREMENT PLAN** PWC provides a Defined Benefit Retirement Plan for eligible employees. Employees will be included in the Plan on the first day of the month after satisfying the following requirements:

You must be 21 years of age.

You must complete one year of Participation Service, which is based on the completion of at least 1,000 hours of employment within the 12-month period beginning on your date of hire.

You will normally become 100% vested in the plan after five years of Participation Service. All contributions to the Plan are made by your employer. The amount of contributions is actuarially determined. The aim of the plan is to pay you your retirement benefits starting at your Normal Retirement Date. Under certain conditions, however, you may retire on an Early Retirement Date or a Later Retirement Date. Normal retirement age is generally 62 and early retirement age is generally 52 through 61.

**NON-ELECTIVE EMPLOYER CONTRIBUTION (NEC)** For those employees with an employment start date after May 2, 2005 who work 1,000 hours during a Plan year, the

Company may offer a NEC benefit (a component of the Company's 401[k] Plan). (For those employees who were hired before May 3, 2005, please see Human Resources for information regarding any potential continuance of certain post-retirement medical insurance benefits.) Benefits, if offered, are strictly limited by the provisions of the plan that is in effect from time to time and are subject to change or elimination at any time at the sole discretion of the Company.

**CALIFORNIA'S 529 PLAN** For Higher Education, PWC provides the College Savings Plan ScholarShare program that permits payroll deductions of \$15 or more into a flexible investment account for college savings.

**PAID HOLIDAYS** The following days will be observed as holidays:

- New Year's Day
- Birthday of Martin Luther King, Jr.
- Presidents' Day
- Memorial Day
- Independence Day
- Labor Day
- Veterans Day
- Thanksgiving Day
- Friday after Thanksgiving
- Christmas Eve
- Christmas Day
- New Year's Eve

Exact dates for these holidays will be published and are subject to change from year to year.

All regular part-time employees will adhere to the same policy rules and conditions as a regular full-time employee except that holiday pay will be paid on a pro-rata basis according to the scheduled number of hours worked during each pay period.

"The benefits described in this literature are provided solely by the insurance companies/providers. The Company's only financial obligation with regard to these benefit plans is the payment of some or all of the plan premiums. The Company is not responsible for providing benefits under these plans under any circumstances."

Please refer to policies, certificates, or Employee Handbook for exclusions and limitations of the plans. This document is intended to be a Benefit Summary only. All Summary Plan Documents or Company policies take precedence. All described benefits are subject to amendment or termination by the Company at any time.

2014 Brochure PWC

**PARK  
WATER  
COMPANY**



**CALIFORNIA**

**SUMMARY OF  
BENEFIT PLANS**

**2014**