Certain officers and employees serving on July 1, 1974, transferred to new department; civil service and retirement benefits preserved. Effective July 1, 1974, officers and employees who were engaged immediately prior to said date in the performance of powers, duties and functions of any existing state agency which becomes a part of the department of health and environment created by this act or the powers duties and functions of which are transferred to the department of health and environment created by this act, and who, in the opinion of the secretary of health and environment, are necessary to perform the powers, duties and functions of the department of health and environment, or of any division, section or other unit thereof shall become officers and employees of the department of health and environment, and shall retain all retirement benefits and all rights of civil service which such officer or employee had before July 1, 1974, and their services shall be deemed to have been continuous. All transfers and any abolishment of positions of personnel in the classified civil service shall be in accordance with civil service laws and rules and regulations. This section shall not apply to members of boards, commissions and councils.